MASON'S

MINNESOTA STATUTES

1927

PUBLISHED UNDER THE TERMS OF THE CONTRACT MADE BY THE STATUTE COMPILATION COMMISSION FOR THE PUBLICATION OF THE GENERAL STATUTES OF 1923

EMBRACING THE ORGANIC LAWS, THE CONSTITUTION, AND THE STATUTES CONTAINED IN THE GENERAL STATUTES OF 1923, EXCEPT THOSE WHICH HAVE BEEN REPEALED OR SUPERSEDED BY THE SUBSEQUENT LEGISLATION OF 1925 AND 1927

AND ALSO EMBRACING LAWS OMITTED FROM THE GENERAL STATUTES 1923, AND THE LAWS OF THE 1925 AND 1927 SESSIONS OF THE LEGISLATURE UNDER APPROPRIATE CLASSIFICATION.

COMPILED AND EDITED BY THE EDITORIAL STAFF OF THE CITER-DIGEST COMPANY

WILLIAM H. MASON,
Editor in Chief.

MARTIN S. CHANDLER,
RICHARD O. MASON,
Assistant Editors.

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pending at the date of the approval of this act; and all proceedings for the acquirement of parks and parkways and the making of local improvements and the making and collecting of assessments therefor, which improvements have been finally ordered under the provisions of any law of this state, before the date of the approval of this act, shall be proceeded in as though this act has not been passed.

"Sec. 359. All general laws and parts thereof inconsistent with the provisions of this act are hereby repealed; provided, nothing in this section shall be taken or construed as in any manner changing the provisions of section twenty-one (21) of this act.

"Sec. 360. This act shall take effect and be in force from and after its passage."

CHAPTER 10

PUBLIC INDEBTEDNESS

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1934 Et seq. 29 — 351

1934. Scope of chapter—The provisions of this chapter shall not be construed as relating to the debt of the state, or to current and ordinary public expenses, but only to the authorized indebtedness, payable with interest at future and stated times, of cities, villages, boroughs, counties, towns, and school districts; and the terms "municipal corporation," "corporation," and "municipality," as herein used shall embrace any or all of said bodies. (776) [1847]

1934 Et seq. 244nw 558

139–95, 165+880; 146–415, 178+1006; 189+932. 166–202, 207+309.

1935 31 — 154

1935. Net indebtedness defined—The words "net indebtedness," as used herein, shall mean the sum of all outstanding money obligations of the corporation referred to, after deducting:

1. Orders or warrants drawn upon the treasurer, and payable forthwith.

2. Certificates of indebtedness and bonds issued for the creation or maintenance of a permanent improvement revolving fund.

3. Obligations incurred in respect to the construction of public drainage ditches and in acquiring lands for streets, parks, or other public improvements, and payable from the proceeds of assessments levied upon property especially benefited by such ditches or other improvements.

4. Bonds issued for the purchase or construction of public waterworks, or for the enlargement, protection or distribution of the water supply, for the establishment of public lighting, heating, or power plants, and for the acquisition and equipment by purchase or otherwise, of street railways, telegraph or telephone lines, or any other public convenience from which a revenue is or may be derived.

5. The amount of all money, and the face value of all securities, held as a sinking fund for the extinguishment of corporate debts other than those enumerated in this section. (R. L. § 777; amended '13 c. 145 § 1) [1848]

1936. Assessed value defined—The words "assessed value," as used herein, shall mean the latest valuation for purposes of taxation, as finally equalized, of all property taxable within the municipality referred to. (778) [1849]

1937. Charter powers not modified—Nothing herein shall be construed as abrogating any restriction imposed, or as modifying or extending any power conferred, upon a city, village, or borough, by any provision of its charter relating to corporate indebtedness. Except as so limited, all municipal corporations shall be governed in respect thereto by the provisions of this chapter. (779) [1850]

1938. Limit of debt—Excess void—Subject to § 1937, no city of the first class shall hereafter incur or be subject to a net indebtedness in excess of five per cent of its assessed value, nor shall any other municipal corporation except school district become so indebted beyond ten per cent of such value; and all contracts and promises made in violation hereof shall be void: Provided, that if the net indebtedness of any municipality, at the time when the Revised Laws take effect, shall exceed the limit herein fixed, or if any village thereafter organized as a city under a home rule charter shall be subject to such excess when so organized, either may issue and sell new bonds sufficient in amount to refund all or any part of such existing indebtedness, but the same shall not thereby be increased. (780) [1851]

See G. S. 1894 §§ 1639, 1090, 1092, 1095, 1096, 1441, 2771; 10–340, 268; 27–64, 6+411; 54–331, 56+49; 57–434, 59+488; 58–418, 59+1088, 523; 63–125, 65+115, 83–119, 85+933; 89–477, 95+310; 91–290, 97+1049; 93–290, 101+180; 94–397, 103+11; 87–381, 92+328; 82–202, 84+754; 189+933.

157–469, 196+465

G. S. 1894 §§ 1095, 1639, limiting indebtedness, not applicable to city under home rule charter (102-329, 113+899).

1938[1] Et seq. 31 — 102

1938-1. Interest rate on bonds in cities of first class in excess of rate fixed by charter—Any city of this state now or hereafter having a population of over fifty thousand inhabitants, and authorized by the terms of its charter to issue and sell the bonds of such city for any purpose, at a rate of interest limited to less than five per cent per annum, is hereby authorized and empowered, notwithstanding any such charter limitations, to issue and sell, to the amount and in the manner and for the purposes provided for in and by its charter, any city bonds authorized by the terms of its charter, bearing a rate of interest in excess of that limited by its charter, but not, however, exceeding a rate of five per cent per annum, payable annually or semi-annually. Provided that the provisions of this act shall not apply to any act of the legislature heretofore passed authorizing the issue and sale of bonds in which the rate of interest is fixed by the act. ('15, c. 53, § 1)

Explanatory note—Section 3 of Laws 1915, c. 53 repeals all inconsistent acts and parts of acts.

1938-2. Same — Cities under home rule charters — This act shall also apply to cities existing under a charter framed pursuant to Section 36, Article 4 of the Constitution. ('15, c. 53, § 2)

1938[3] 29 — 183 232nw 737

29 — 41
29 — 116
29 — 121
29 — 217
29 — 227
29 — 342

1938-3. Obligations of cities, villages, boroughs, counties, towns, and school districts—Definitions—As used in this act unless the context or subject matter otherwise requires:

(A) The word "municipality" shall mean any city of any class, village, borough, county, town or school district however organized.

(B) The word "obligation" shall mean any bond, certificate of indebtedness, warrant or order, authorized by law, issued by a municipality; provided, that the following obligations are excepted from the provisions of this act as to the issuance thereof;

(1) Those issued by any county under any present or future law for road or highway purposes to the extent to which such county shall be entitled to reimbursement out of the trunk highway fund of the State of Minnesota.

(2) Those authorized by the electors of any municipality to be issued and sold to the State of Minnesota.

(3) Those issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property especially benefited thereby including those which are the general obligations of the municipality issuing the same, if the municipality is entitled to reimbursement, in whole or in part, from the proceeds of special assessments levied upon property especially benefited by such improvements.

(4) Those maturing in less than one year from their date.

(5) Those issued for the creation or maintenance of a permanent improvement revolving fund.

(6) Those issued for the construction, repair or maintenance of wharfs and docks.

(7) Warrants or orders having no definite or fixed maturity.

(C) The words "gross debt" shall mean as to any municipality the aggregate of the principal of the following items owing by it:

(1) All obligations as herein defined issued and outstanding, including those excepted from the provisions of this act as to the issuance thereof.

(2) Total amount of any unpaid judgments rendered against the municipality.

(D) The words "net debt" shall mean as to any municipality the amount remaining after deducting from its gross debt the aggregate of the principal of the following items so far as applicable to such municipality.

(1) Obligations issued by any county under its present or future law for road or highway purposes, to the extent to which such county shall be entitled to reimbursement out of the trunk highway fund of the State of Minnesota.

(2) Obligations issued for the acquisition, construction, maintenance, repair or improvement of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof.

(3) Obligations issued for improvements which are payable wholly or partly from collections of special assessments levied on property benefited thereby including those which are the general obligations of the municipality issuing the same, if the municipality is entitled to reimbursement, in whole or in part, from the proceeds of special assessments levied upon property especially benefited by such improvement.

(4) Obligations issued for the creation or maintenance of a permanent improvement revolving fund.

(5) Warrants or orders having no definite or fixed maturity.

(6) Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subsection "D."

Nothing herein contained, however, shall be construed to change the method, if any, of computing the limit of indebtedness of any municipality as prescribed by the special law or the home rule charter under

1938[3-7] 33 — 145 33 — 171 33 — 296 33 — 301

1938[3] Et seq. 33 — 275 33 — 415

which it is organized. ('27, c. 131, § 1, effective Sept. 1, 1927)

1938-4. Same—Amount of limitation on net indebtedness—Special existing limitations not increased—Elections, where required — No municipality, except school districts, shall hereafter incur or be subject to a net debt beyond ten per cent of the last assessed valuation, as finally equalized, of all taxable property therein, including moneys and credits, and no school district shall incur or become subject to a net debt beyond twenty per cent of such assessed valuation; provided that no city of the first class shall be subject to a net debt beyond five per cent (5%) of such assessed valuation unless the Charter for such city contains a provision to that effect; provided that this act shall not be construed as increasing the limit of debt, if any, prescribed by the special law or home rule charter under which any municipality is organized; provided further, that no independent school district located wholly or partly within a city of the first class shall have power to issue any bonds or any evidence of indebtedness unless first thereunto authorized by a two-thirds vote of the legislative body of the city within which such school district is situated in whole or in part; and no such school district shall have power to issue bonds or any evidence of indebtedness running more than two years, whenever the aggregate of the outstanding bonds and evidence of indebtedness of such district equals or exceeds three and one-half per cent of the assessed value of all the taxable property within such school district; provided, further, however, that if the net indebtedness of any municipality shall exceed the limit applicable thereto as provided herein, at the time this act takes effect, but was not in excess of the limit of debt prescribed by law at the time the indebtedness was incurred, such municipality may issue and sell, pursuant to the provisions hereof, obligations to refund any of such indebtedness at the time of the maturity thereof, if there are not sufficient funds to pay the same. ('27, c. 131, § 2, effective Sept. 1, 1927)

1938[1] 29 — 204
1938[5] 31 — 11 31 — 154

1938-5. Same — Obligations — Maturity — All obligations as herein defined and subject to the provisions of this act as to the issuance thereof shall be payable serially in annual installments, as determined by the governing body of the municipality, the first thereof to become due and payable in not more than three years from the date of such obligations, and the last installment thereof to become due and payable as follows:

(A) Those issued for the acquisition, construction or extension of sewers or sewer systems and waterworks or water systems; for the erection, furnishing and equipping of school houses, court houses, jails, hospitals, libraries, museums, art galleries, home for the poor, or other public buildings, and the purchase of sites therefor; for the construction of concrete or steel span bridges, garbage crematories or disposal plants, and subways; for the acquisition, extension or improvement of parks, parkways, playgrounds, or any combination thereof; not more than thirty years from their date.

(B) Those issued for the acquisition, construction or improvement of electric light plants or systems, or combination water and electric light systems, or heating plants and systems, or combination water, electric light and heating plants or systems, not more than thirty years from their date.

(C) Those issued for the purpose of funding or refunding outstanding obligations not more than twenty years from their date.

(D) Those issued for any other purpose authorized by law not more than twenty years from their date.

No annual maturing installments of principal of any issue of such obligations shall be more than two and one-half (2½) times the amount of the smallest installment thereof maturing in any one year. ('27, c. 131, § 3, effective Sept. 1, 1927)

1938-6. Same—Obligations—Elections to determine issue—No obligations subject to the provisions of this act as to the issuance thereof, except obligations issued to pay judgments lawfully rendered or for refunding obligations at maturity or at their optional or callable dates or to fund outstanding warrants heretofore issued shall be issued without the approval, first obtained, of the majority of the electors voting on the question of issuing such obligations, excepting that in the case of villages a five-eighths majority must be obtained, provided, that in the case of a municipality operating under a home rule charter, which permits the issuance of bonds without an election, then nothing herein shall be construed as requiring such municipality to obtain such approval.

A proposition to issue such obligations may be submitted at a general or special election or town or school meeting, in the notice of which election or meeting the purpose and the maximum principal amount of the proposed obligations shall be plainly stated. Such election or meeting shall be called and held in accordance with the provisions of law applicable thereto. ('27, c. 131, § 4, effective Sept. 1, 1927)

1938[7] 29 — 204

1938-7. Same—Tax levy for payment of obligations—Sinking funds—The governing body of any municipality hereafter issuing obligations subject to the provisions of this act as to the issuance thereof, shall, before the issuance thereof, levy for each year, until the principal and interest are paid in full, a direct annual tax in an amount not less than five per centum (5%) in excess of the sum required to pay the principal and interest thereof, when and as such principal and interest matures. After such obligations have been delivered to the purchaser thereof, such tax shall be irrepealable until all such indebtedness is paid, and after the issue of such obligation, no further action of the governing body of such municipality shall be necessary to authorize the extensions, assessments, and collection of such tax. The recording officer of such municipality shall forthwith furnish a certified copy of such levy to the County Auditor or County Auditors of the county or counties in which such municipality is situated, together with full information regarding the obligations for which the tax is levied, and such County Auditor or such County Auditors, as the case may be, shall enter the same in the register hereinafter provided for, and shall extend and assess the tax so levied. If such municipality is located wholly within one county, the County Auditor thereof shall annually extend and assess the amount of the tax so levied. If the boundaries of such municipality include property situated in more than one county, the county auditor of each such county shall annually extend and assess such portion of the tax levied as the assessed value of the taxable property, not including moneys and credits, located wholly within such municipality in such county bears to the total assessed value of the taxable property, not including moneys and credits, within such municipality. Any surplus resulting from the excess levy herein provided for shall be transferred to a sinking fund after such principal and interest for which the tax was levied and collected has been paid; provided, however, that the governing body may on or

1938[7] 31 — 10 31 — 96 31 — 154 31 — 239 176m 389 178m 480 178m 552 223nw 458 227nw 658 228nw 162 223nw 861
1938[7] 34 — 44 2640

before October 15 in any year, by appropriate action, cause its recording officer to certify to the County Auditor or Auditors, if in more than one county, the amount on hand and available in its treasury from earnings of waterworks, public lighting, heating or power plants, or otherwise, including the amount in such sinking fund, which it will use to pay principal or interest or both on each specified issue of its obligations and the County Auditor or Auditors shall reduce such levy for such year, herein provided for, by such amount. The amount of funds so certified shall be set aside by the governing body, and be used for no other purpose than for the payment of the principal and interest of such obligation. All taxes hereunder shall be collected and remitted to the municipality by the County Treasurer or County Treasurers in accordance with the provisions of law governing the collection of other taxes, and shall be used solely for the payment of such obligation where due. ('27, c. 131, § 5, effective Sept. 1, 1927)

1938-8. Same—County auditor to keep register of obligations issued—It shall be the duty of the County Auditor of each county to keep a register in which shall be entered as to each issue of such obligations by any municipality located in whole or in part in such county a record of the aggregate amount authorized, the aggregate amount issued, purpose for which issued, the number, denomination, date and maturity of each, the rate of interest, and time of payment thereof, and place of payment of principal and interest, and the amount of tax levied for the payment thereof in accordance with the provisions hereof. ('27, c. 131, § 6, effective Sept. 1, 1927)

1938-9. Same—Certificates of registration of obligations before delivery to purchaser—Before any obligation, as herein defined, subject to the provisions of this act as to the issuance thereof, shall be delivered to the purchaser thereof, the governing body of the municipality issuing the same shall obtain from the County Auditor or County Auditors, as the case may be, a certificate or certificates to the effect that said issue has been entered on his register, and that a tax has been levied by the municipality as required herein provided, however, that this Section shall not apply to cities of the first class. ('27, c. 131, § 7, effective Sept. 1, 1927)

1938[10] 31 — 154 **1938-10. Same — Tax levies not limited** — This act shall not be construed as limiting the power of a municipality to levy taxes to pay its obligations issued hereunder, but the governing body of every municipality shall have the authority and it shall be its duty to levy any taxes necessary to provide revenue to pay such obligations. ('27, c. 131, § 8, effective Sept. 1, 1927)

1938-11. Same—Sinking funds—Investment of surplus—Taking care that enough cash is always retained in a sinking fund to provide for the annual payments of principal and interest on the obligations for which such fund was instituted, the surplus, if any, in any sinking fund heretofore or hereafter created in any municipality may be invested under the direction of the governing body as follows:

(A) In any interest bearing bond or other evidence of indebtedness of the United States.

(B) In any interest bearing bond or other evidence of indebtedness of the State of Minnesota.

(C) In any bond certificate of indebtedness, warrant, order or interest bearing obligation issued pursuant to law by such municipality or by any other municipality in the State of Minnesota; provided, however, that no municipality shall invest any moneys in any sinking fund in its own warrants or orders which have no definite or fixed maturity.

The obligations representing investments under this section may be sold or hypothecated by the governing body at any time, but the money so received shall likewise remain a part of such fund until used for the purpose for which the fund was created.

In the words "sinking fund" as used herein are included any and all funds or moneys held in the treasury of any municipality which have been appropriated or set aside for the payment of the principal and interest, or either of them, of any of its obligations. ('27, c. 131, § 9, effective Sept. 1, 1927)

1938-12. Same—Violations of law a misdemeanor—Any officer of a municipality as herein defined, who shall knowingly fail to comply with any of the provisions of this act, shall be guilty of a misdemeanor. ('27, c. 131, § 10, effective Sept. 1, 1927)

1938[13] 174m 509 219nw 872 **1938-13. Same—Laws repealed—Time of taking effect of law**—The provisions of all laws pertaining to the issuance and payment of obligations that are subject to the provisions of this act as to the issuance thereof, in so far as the provisions of said laws are inconsistent with the provisions hereof, are hereby repealed. None of the provisions of this act relating to the issuance or to the payment of bonds shall apply to bonds issued by counties on account of which they shall be entitled to reimbursements out of the trunk highway fund of the state, nor to the refunding of such bonds heretofore or hereafter issued. Except and to the extent of such repeal, all such laws shall continue to be in force and effect. Nothing in this act contained shall confer power upon any municipality to issue obligations for any purpose other than those now authorized by law.

This act shall take effect and be in force from and after September 1, 1927, but in all cases where the issuance of obligations shall have been duly authorized prior to September 1, 1927, the proceedings therein and the issuance of obligations so authorized may be completed under the provisions of law existing prior to the going into effect of this act, and the provisions of such law shall continue for all purposes of completing such unfinished proceedings and the issuance of such obligations notwithstanding the amendments and repeals contained in this act. ('27, c. 31, § 11, effective Sept. 1, 1927)

1938-14. Reports of outstanding bonds and warrants issued by cities, villages, townships, and school districts—On or before February 1 of each year it shall be the duty of the clerk or recorder of each city or village, and the clerk of each township or school district to report to the county auditor of each county in which such municipality or school district is situate, the total amount of outstanding bonds, and the purpose for which issued and the amount of outstanding warrants as of December 31 of the preceding year. ('27, c. 163, § 1, effective from and after Jan. 1, 1928)

1938-15. Same—Reports kept by county auditors—Reports thereof to Tax Commission—Such report shall be kept by the county auditor of each county in a suitable record. On March 1 of each year it shall be the duty of the county auditor of each county to make report to the Minnesota Tax Commission of such indebtedness as reported to him by the officers of said municipalities, together with the amount and character of all outstanding bonds issued by the county of which he is the county auditor. ('27, c. 163, § 2, effective from and after Jan. 1, 1928)

1939. Bonds—Except when otherwise expressly provided by law, all public indebtedness hereafter incurred or refunded shall be represented by the bonds of the debtor corporation, signed by the officers thereunto authorized by resolution of its governing body, and countersigned by the official charged with the keeping of its accounts. Such bonds shall express the amount and terms of payment, and have coupons attached for the several interest payments to be made, which interest shall in no case exceed the annual rate of six per cent, payable half-yearly. The bonds of cities of the first, second, and third classes shall be payable not more than thirty years after their issue, and those of all other municipal corporations not more than twenty years thereafter, and no bonds of either class shall be disposed of for less than their face value, with accrued interest. (781) [1852]

May be made payable in gold with semi-annual interest without authorization from electors (116-371, 133+962; 123-514, 144+161).

1940. Registered bonds—If, however, the purchaser or holder of negotiable bonds issued by a city shall so request, the council of such city, by a resolution prescribing the method and terms of exchange, may authorize the proper city officers to issue registered bonds in lieu thereof, in such denominations as may be desired. The governing body of any municipal corporation may, by a resolution prescribing the method and terms of registration, authorize the proper officer of such municipal corporation designated in such resolution to register as to the payment of principal only any negotiable bonds heretofore or hereafter issued by such municipal corporation when requested by the purchaser or holder thereof, such registration to be by endorsement on such bonds of a certificate of registration which shall recite that the principal thereof will be payable only to such person as by such registration appears to be the owner thereof or to his legal representatives, and such resolution shall provide for the keeping of a permanent record of bonds so registered. But bonds so registered shall not extend the time of maturity, nor shall the indebtedness of the municipal corporation be by such registration increased. (R. L. '05 § 782; G. S. '13 § 1853; amended '23 c. 313)

1941. Vote required—No bonds of any municipality shall be issued without the approval, first obtained, of the majority hereinafter specified of the voters of such municipality, voting at a special election called for the purpose or at a general election or town meeting in the notice whereof the proposed issue shall have been plainly submitted for approval or rejection: Provided, that such requirement shall not apply to the registered bonds mentioned in Section 1853, nor to those authorized by this chapter for funding or refunding purposes. The majorities required shall be as follows:

1. In the case of towns, counties and cities a majority of those voting at the election.

2. In villages and boroughs, five-eighths of those voting on the question.

3. In school districts, two-thirds of those present and voting. (R. L. '05 § 783; G. S. '13 § 1854; amended '21 c. 209 § 1)

Section 1853 referred to is § 1940, herein.

156-268, 194+756.

Chapter 209, Laws 1921, was in effect a reenactment of sections 1854, 1855, Gen. St 1913, and did not repeal by implication sections 1932, 1933, Gen. St. 1913. 157-469, 196+465.

116-371, 133+962; 146-413, 178+1006; 188+429.

1942
29 — 112
29 — 114
29 — 127

1942. Bonds, for what purposes—When the governing body of any municipality shall have resolved that it is expedient to borrow money, for one or more of the purposes hereinafter named, and to an amount which will not increase its net indebtedness beyond the limit fixed by law, and a proposal so to do, if required by law, shall have been duly submitted to and approved by the voters thereof, the bonds of such corporation may be issued and sold, conformably to the provisions of this chapter, to the amount so authorized, as follows:

1942
31 — 100
31 — 194

1. Cities, villages, and boroughs—In the case of a city, village or borough, for the acquisition, construction, maintenance, or improvement of any of the public conveniences mentioned in § 1848, subd. 4; for the purposes of a permanent improvement revolving fund; for the purchase or erection of needful public buildings; for establishing and maintaining garbage crematories, or other means of garbage disposal, hospitals, schools, libraries, museums, and art galleries; for the construction of sewers, subways, streets, sidewalks, pavements, culverts, and parks and parkways; and for changing, controlling, or bridging streams and other waterways within the corporate limits, and constructing and repairing bridges and roads within two miles of the corporate limits thereof.

2. Counties—In the case of counties, for the erection and furnishing of a court house and jail, or either of them; for the purchase of a poor farm and equipping the same with suitable buildings, tools and stock; for establishing morgues and hospitals; for laying out, opening, building and improving public highways in the nature of county roads; for laying out and opening steam traction roads or other special public highways authorized by law; and for the bridging of waters within the county or bordering thereon.

3. Towns—In the case of towns, for the erection and furnishing of a town hall, and for the laying out and opening of town roads, and the building of bridges thereon.

4. School districts—In the case of school districts, including special and independent districts, whether lying within a city or village or not, for the purchase of sites for school houses, and for defraying the expenses incurred and to be incurred in building, rebuilding, remodelling, repairing and furnishing school houses, and installing heating, ventilating and plumbing plants in the same, and equipping the same with libraries, apparatus and other school furniture.

5. In the case of all of the before-mentioned municipal corporations, for paying any judgment lawfully rendered against them, or for refunding outstanding bonds or for funding floating indebtedness provided, however, that bonds hereafter issued for the purpose of funding floating indebtedness under authority of this act shall be payable in annual installments, as nearly equal in amount as conveniently may be, the first of which installments shall be due in not more than three years from the date of the issue, and the last of which installments shall be due in not more than fifteen years from the date of the issue. (R. L. '05 § 784, amended '07 c. 297; '09 c. 261; '21 c. 209 § 2) [1855]

§ 1848 referred to is § 1935, herein.

156-268, 194+756;157-469, 196+465, note under § 1941.

As to powers of various municipalities to issue bonds for certain purposes. Cited (105-403, 117+611).

188+429, 188+932.

1943
29 — 41

1943. Sale of bonds—Before any municipal corporation, as defined by Section 1847, General Statutes of 1913, shall sell or enter into any contract for the sale of any bonds or certificates of indebtedness, however authorized, and for whatever purpose issued, unless a different method of sale is specifically provided in the act or charter authorizing the same, at least two weeks' published notice shall be given of a meeting of the governing body to open and consider bids therefor.

1943
Et seq.
27 — 131
33 — 227
33 — 258
33 — 290

1943
34 — 20
34 — 24
1972 Note

1942
Poor
Relief
33 — 43
33 — 72
33 — 131
33 — 338
See 3160
See 3165

The time and place of said meeting shall be fixed, and the newspaper in which the notice shall be published, if other than the official newspaper, designated by a resolution or motion duly passed and recorded which may provide for additional notice. At the time and place so fixed, the bids shall be opened, and the offer complying with the terms of such sale, and deemed most favorable, shall be accepted; provided that the governing body may reject any and all such offers and award said bonds to a lower bidder, or upon like notice, it may invite other bids. Such bonds or certificates shall not be sold or disposed of for less than their face value with accrued interest, except when specifically provided by law. Any officer of any municipality having bonds or certificates of indebtedness for sale which are required by the provisions hereof to be so advertised, that shall enter into or approve any contract or agreement for the sale of such bonds or certificates contrary to the provisions hereof, or tending to prevent competitive bidding therefor, shall be guilty of a misdemeanor. (R. L. '05 § 785; G. S. '13 § 1856: amended '23 c. 299)

73-225, 75+1050; 190+597.

1944. Delivery—Proceeds—Upon payment to the treasurer of the amount offered therefor by the successful bidder, the bonds shall be delivered, and the treasurer shall hold the proceeds thereof as a separate fund for the use named in the resolution under which the vote was taken. If the contemplated improvement be afterward abandoned, such fund may be devoted to any other public improvement authorized by law, and approved by vote taken in the same manner as the original vote. Any balance remaining after the improvement has been completed and paid for shall become a part of the general fund of the municipality. (786) [1857]

See '23 c. 90 legalizing bonds.

1945. Tax levy for payment of bonds—If the method of levying a tax for the payment of municipal indebtedness and interest be not otherwise provided for, and in all cases of failure on the part of municipal authorities to cause such levy to be made, the county auditor shall add to the other taxes charged upon the property taxable in the municipality an amount sufficient to meet such obligations as they mature, which additional levy shall be extended and collected with the other taxes of the year. (787) [1858]

1946 29 — 351 31 — 155 243nw 786

1946. Selling bonds by popular subscription—Any municipality in this state which may hereafter issue any bonds shall have the right to sell and dispose of the same or any part thereof by popular subscription from the citizens of the municipality issuing the same, for not less than par and accrued interest. The officers of any such municipality who are charged with the duty of selling such bonds shall have the right, upon giving published notice to that effect in the official paper of the municipality, to receive bids from its citizens for such bonds in amounts of one hundred dollars or any multiple thereof, and such officers shall also have the right to receive bids from any source for the whole amount of bonds so to be issued, and when all bids are received to award the bonds to any one or more of such bidders in accordance with what, in their judgment, will be for the best interests of the municipality; provided, that in no case shall any such bonds be sold at less than their par value and accrued interest thereon. ('07 c. 462 § 1) [1864]

1946[1] Et seq. 29 — 351 31 — 155 31 — 407 33 — 54 33 — 389

1946-1. Refunding bonds of municipal corporations—Municipal corporation defined—"Municipal corporation," as used herein means any of the corporations enumerated in Section 1847, General Statutes 1913. ('21, c. 185, § 1)

Explanatory note—For § 1847, Gen. St. 1913, see § 1934, herein.

1946-2. Same—Validity need not be inquired into—No purchaser or owner of bonds already or hereafter issued by a municipal corporation for the purpose of refunding its outstanding floating indebtedness under any law of this state, shall be obligated to inquire into the validity of the debts by such bonds refunded, but the determination by resolution of the governing body of any such municipal corporation to issue its bonds for such purpose, shall be conclusive evidence as to such purchaser or owner of the validity of the debts thereby refunded. Provided, that nothing herein shall be construed as authorizing or legalizing the issuing by any municipality of bonds which will increase its net indebtedness beyond the limit fixed by law; and provided further, that, as between any municipality and any owner or holder of any warrant or order of such municipality, nothing herein shall be construed as validating any such invalid warrant or order. ('21, c. 185, § 2)

1946[1] 29 — 416 1946[3] 31 — 100 1946[6]

1946-3. Village, town, and school district bonds for funding and refunding bonded, judgment and floating indebtedness exceeding 40 per cent of assessed valuation of taxable property—Any village, town or school district in this state, whose existing bonded judgment and floating indebtedness exceeds forty per cent of the assessed valuation of all taxable property, exclusive of moneys and credits, in the village, town or district, may issue, negotiate and sell its bonds, for the purpose of funding and refunding such indebtedness or any part thereof, and for the other purposes hereinafter stated, in the manner and under the conditions hereinafter prescribed. ('27, c. 331, § 1)

1946[3] 33 — 306 See 1973[1-4] See 1941 Et seq. 1946[3-4] 33 — 383

1946-4. Same—Resolution for issue of bonds—Lists of indebtedness—Election to determine bond issue—The governing body of such village, town or district at any regular or duly called special meeting thereof, may adopt, by majority vote, a resolution stating the authority of law under which the right is claimed to issue such bonds, the purpose for which it is proposed to issue the same, the number and the face value of each thereof, and the time when each bond to be issued thereunder shall mature, and direct that the same be issued, negotiated and sold as hereinafter provided. A list of the items of indebtedness so to be funded and refunded may be made and certified by the presiding and recording officers and the treasurer of the village, town or district, and kept on file for public examination in the office of the recording officer, and may be referred to in the resolution so adopted. Said resolution may be published not less than one nor more than three weeks successively in a legal newspaper published in said village, town or district, or in the county seat of the county, if there be no such newspaper in said village, town or district, and proof of the publication thereof filed in the office of the recording officer. The governing body may and, on petition of ten or more voters and taxpayers of the village, town or district, filed with the recording officer within ten days after the first publication of such resolution, or prior thereto, shall submit to the legal voters of the village, town or district, at a regular or special election, the proposition so to issue, negotiate and sell said bonds, and, in such case, the affirmative vote of a majority of those voting on the proposition shall be sufficient to authorize same. In any case, no bonds sold by authority of this act more than thirty

days after the publication of the governing body's authorizing resolution, or after the vote of the electors authorizing same, shall be questioned by reason of the invalidity of any indebtedness included in the list aforesaid funded or refunded thereby nor of any informality, irregularity or defect in the proceedings. ('27, c. 331, § 2)

1946-5. Same—Maturity, interest, and sale of bonds—The bonds authorized hereunder shall be payable serially in annual installments, as determined by the governing body, the first thereof to become due and payable in not more than three years from the date thereof, and the last installment thereof to become due and payable not more than fifty years from their date. No annual maturing installment of principal shall be more than two and one-half times the amount of the smallest installment thereof maturing in any one year; provided, in the discretion of the governing body, exercised by resolution at any time before the issuance and sale of said bonds, any or all thereof may be made payable on or before their respective maturity dates; and bids for said bonds may be in the alternative for such bonds with or without the "on or before" privilege. None of said bonds shall be sold for less than their full face value, nor bear interest in excess of six (6) per cent, per annum, payable annually or semi-annually. The procedure for advertising for, receiving and accepting bids for said bonds shall be that provided for in Section 1943, General Statutes 1923, and any amendments thereof. ('27, c. 331, § 3)

31 1946[6] — 100

33 1946[6] — 387 See 668 Note

1946-6. Same—Sale of bonds by popular subscription—*In lieu of, or in addition to, receiving bids for* such bonds, or any thereof, the governing body may cause same to be offered for and sold by public subscription from time to time; and in any case the holder of outstanding bonds or other indebtedness of the village, town or district may use and apply the same and any interest or other items legally accrued thereon in payment, in whole or in part, for bonds herein authorized purchased by him. But no bonds shall be issued or sold in any manner hereunder unless all indebtedness to be funded and refunded is due, or unless the holders thereof shall have consented to accept payment thereof, with interest and other items legally accrued thereon, and surrender and satisfy same, such consent to be by written instrument, filed with the recording officer; provided that outstanding bonds having not over 4¼ per cent interest per annum, not yet due, need not be so surrendered as a condition to the issuance of bonds hereunder to fund or refund the other obligations of the village town or district, but, in such event, such outstanding, unsurrendered bonds shall be considered in determining the maturities of the bonds issued hereunder. ('27, c. 331, § 4)

1946-7. Same—Tax levy for interest and sinking fund—In each year in which bonds are sold pursuant to this act the governing body shall levy and certify to the county auditor a direct annual tax in an amount not less than 5 per cent in excess of the sum required to pay the principal and interest thereof, when and as the same mature, which tax shall be irrepealable until all such indebtedness shall be paid. No further authority for the extending and collection of such tax shall be required, and no part of the proceeds shall be diverted to any other use until all obligations herein authorized shall have been fully paid. ('27, c. 331, § 5)

1946-8. Same—Revolving fund—Use of—The governing body in their discretion and with the approval of the state board of investment may include in the amount of said bonds a sum not exceeding 10 per cent of the obligations to be funded and refunded, and use the proceeds of such excess fund as a revolving fund for the following purposes: From time to time the same or any part thereof, with the approval of said state board, may be used to purchase taxable real property in said village, town or district at any tax sale thereof, or state assignment certificates thereof, and to pay subsequent delinquent taxes thereon, and to take proper proceedings to cause elimination of the right to redeem from such tax sales, in the same manner and with the same rights as in case of a private purchaser, except that no law limiting the time for giving notice of expiration of redemption or recording the tax certificate or deed, as conditions for keeping alive the validity and lien of any such certificate or deed, shall apply. The proceeds of any such certificate or deed, whether upon redemption or otherwise, as well as of any property acquired by virtue thereof, may be likewise invested; but all such certificates, deeds, property and proceeds shall be held and dealt with by the village, town or district as trustee, as additional security for each and all of the bonds issued and sold by virtue of this act, so long as the same or any thereof remain unpaid. ('27, c. 331, § 6)

1946-9. Same—Stay of proceedings where municipality is in default on bonds or other indebtedness—Procedure in district court—If heretofore or hereafter, prior to the issuance and sale of the bonds herein authorized, default shall have occurred in the payment or in any of the conditions of any of the outstanding bonded indebtedness of such village, town or district, or of any of the interest thereon, or any personal judgment for money shall have been obtained against such village, town or district, and the welfare of the village, town or district and the security of its creditors shall be jeopardized thereby, the village, town or district, through its presiding and recording officers, by authority of the governing body, may apply to the district court of the county and district in which such village, town or district is situated, for the relief herein authorized, whereupon the court may forthwith, on such conditions as to it shall seem proper, order that any and all proceedings, pending or otherwise, to enforce the obligations of such village, town or district be stayed until further order of the court, and may fix a time and place for hearing on the question whether such stay be continued, and the supervision and control hereinafter mentioned exercised, during the embarrassed financial condition of said village, town or district, and such other relevant questions as to it shall seem proper, and shall cause notice of such hearing to be given, at least ten days prior to the date thereof, by publication for at least one week in a legal newspaper published in said village, town or district, or, if there be none in such village, town or district, in the county seat, and by mailing to each creditor whose name and address are known. Upon such hearing the court may award such relief, or so much thereof as to it shall seem proper. During any proceedings herein authorized the affairs of said village, town or district shall be conducted under the supervision and control of the court, consistently with the reasonable protection of the interests of all the creditors and with the performance of such public duties and functions of the village, town or district as shall be feasible. Such proceedings shall not preclude the issuance and sale of the bonds, nor the exercise of any of the other powers and functions, hereinbefore authorized, but, during the pendency of such proceedings, the same shall be done and performed under the supervision of the court, and that of

the state board of investment shall not be required. Any final order of the court in proceedings authorized by this act shall be subject to appeal and review as in other like cases. ('27, c. 331, § 7)

1946-10. Same—Construction of law—Partial invalidity—This act shall be construed as remedial and consistently with the constitutional rights and duties of each village, town, school district, taxpayer and creditor affected. If any section, part or provision hereof be found unconstitutional, such determination shall not affect the validity of the remaining provisions not clearly dependent thereon. ('27, c. 331, § 8)

1946-11. Same—Compromise or settlement with creditors—Nothing in this act contained shall be construed to prohibit any such village, town or district's agreeing with its creditors, or any of them, to a compromise and settlement of any or all of its indebtedness for less than the amount thereof, nor its borrowing money, to affect such settlement, under this or any other statute authorizing the borrowing of money by villages, towns or school districts, as the case may be. ('27, c. 331, § 9)

1946-12. Same—Construction of existing or future laws—No statute heretofore or hereafter enacted shall be construed to prohibit or impair the right to issue and sell the bonds with the maturities herein authorized, unless the purpose so to do shall be expressly declared. ('27, c. 331, § 10)

1947. Sinking fund in counties—Investment in mortgages—That the board of county commissioners of any county in this state, having a bonded indebtedness sinking fund, is hereby authorized and empowered to invest the money of the said fund not at any time necessary for use in paying the matured bonded indebtedness of the said county upon the security of first mortgages on improved real estate of the said county; provided that no loan or investment of the said funds shall in any case, be made for an amount greater than fifty per centum of the market value of the said real estate security at the time the said loan or investment is made, exclusive of the value of any structures situated thereon; also provided that no money or funds shall in any case, be loaned for a period of time extending beyond the time when the said funds shall be required for payment of the matured bonded indebtedness of the said county nor for a rate of interest to be paid annually, lower than five per cent per annum. ('05 c. 202 § 1) [1865]

1948. Proceedings to enforce—Assignment—Whenever any such loan has been made, the board of county commissioners shall have the same rights in reference to the enforcement of any suit or proceeding for the collection of the same, or the foreclosure of any such mortgage, as any other lender or mortgagee, and if necessary may sell and assign any such note or mortgage at a discount of not more than two per cent of the interest unpaid. When authorized by resolution of the board, the chairman and county auditor may execute any such assignment. ('05 c. 202 § 2) [1866]

1949 — 29 — 25

1949. Sinking fund in school districts, how invested—The treasurer of any school district in the state is authorized to invest any of the sinking funds in his hands belonging to such school district in bonds of the state of Minnesota, or of any other state, or in bonds of any county, school district, city, town or village of the state, but no investment shall be made in bonds issued to aid in the construction of any railroad; provided, however, that the net return of any such investment, taking into account the price paid for the bonds, the date when the same shall fall due and the rate of interest thereon, shall be at a rate not less than 3½ per cent per annum for the whole period elapsing before the maturity thereof; and provided further, that any such investment shall be made only after the same has been duly authorized at a general or special meeting of the board of directors or trustees of such school district. ('07 c. 354 § 1) [1867]

1950. Liability of treasurer—For any loss occurring by reason of the depreciation of any securities purchased under the provisions of this act, or by reason of the failure to pay the same, or any part thereof, on the part of the public body or corporation issuing the same, the treasurer making the investment and the sureties upon his official bond as such shall not be liable. ('07 c. 354 § 2) [1868]

1950-1. Investment of village sinking funds—That the treasurer of any village which has heretofore or which may hereafter issue its bonds, may invest, when directed by the governing body of such village so to do, any moneys in its treasury which were levied for the purpose of paying such bonds at maturity, or any moneys therein which have been set aside or are being held for such purpose, in any registered liberty bonds of the United States or in any bonds issued by the State of Minnesota. ('25, c. 162)

1951. Apportionment of bonded indebtedness of divided town—Whenever heretofore any town in this state has issued its bonds for any lawful purpose, and the proceeds thereof have been used for the benefit of such town as then constituted; and such town has thereafter been divided into one or more additional towns or villages, and one of said towns or villages has paid said bonds so issued with interest, or any part thereof or either of the same, the total amount so paid, together with interest thereon from the time of payment, shall constitute and be valid and subsisting debt against all such towns and villages, forming a part of said original town at the time of the issuance of the same; and the amount thereof that each of such town or village shall be liable for, shall be the proportion to the total amount so paid which the assessed valuation of all property in each such town or village, as fixed by the state board of equalization next preceding the time of the payment of said bonds and interest thereon bears to the assessed valuation of all property as then likewise equalized, in the entire territory comprising said town at the time of the issuance of said bonds, provided that nothing herein contained shall affect in any manner whatsoever any action or proceeding now pending in any of the courts of this state in relation to any bonds so issued. ('07 c. 273 § 1) [1871]

113-203, 129+381.

1952. Towns may sue to recover—Any town which has paid any of said bonds or interest as hereinbefore provided, may maintain an action in any of the courts of this state to recover from any town or village the portion of the same for which said town or village is liable, as provided in section 1 of this act. ('07 c. 273 § 2) [1872]

Section 1 referred to is § 1951, herein.

1953. Division of bonded indebtedness of townships and villages—That in any case where any township and village are jointly liable for the payment of any bonded indebtedness, or where all the property of any township or village is liable to taxation for the payment of any such indebtedness any such township or village at the time of the maturity of such bonds may assume and pay such proportion of the entire bonded

indebtedness as the amount of the last assessment of real and personal property situate in such town or village bears to the total assessed valuation of both such township and village; provided, however, that if either such township or village deems such assessment to be inequitable the town board or village council, as the case may be, or a majority of either, may demand in writing that the Minnesota tax commission appoint a disinterested assessor, not a resident of either such township or village, to make a re-assessment of all the real and personal property situate in both such town and village, and thereupon it shall be the duty of such commission to appoint such assessor, and the valuation and assessment so made by such assessor shall govern in the division of the bonded indebtedness as between such township and such village. ('09 c. 254 § 1) [1873]

1954. Bonds for indebtedness assumed—Any township or village jointly liable for any such indebtedness shall have authority to issue its bonds for the payment of the amount of the total bonded indebtedness for which it may be liable ascertained as provided in the foregoing section. ('09 c. 254 § 2) [1874]

1955. School-fund loans, etc.—If any municipality desires to dispose of its bonds to the state board of investment, application to such board may be made as hereinafter provided, and no advertisement for bids shall be necessary. A resolution shall be adopted by the governing body of the municipality, stating the amount and purpose of the loan desired, and authorizing its treasurer to apply to the board therefor. Such application shall be accompanied by a statement of the existing bonded and floating indebtedness of the municipality, and by a certificate of the county auditor showing the last assessed valuation of real and of personal property taxable therein. The application and accompanying documents shall be filed with the state auditor. (788) [1875]

This section and the two following sections appear to be superseded by § 1959 et seq.

1956. Loans, how made—On the first Monday of each month, said board shall consider all applications then on file, any of which may be rejected. No such investment shall be made until the regularity of the application and the legality of the bonds have been approved by the attorney general. Such loans shall not be made for a period of less than five nor more than twenty years, nor at a rate of interest less than four per cent. per annum, nor when the net indebtedness of the municipality would be increased thereby beyond seven per cent. of the assessed value of the real property taxable therein. The principal and annual interest shall be payable on July 1. If accepted, bonds executed by the proper officers, in form satisfactory to the board of investment, shall be delivered to the auditor, who shall issue to the treasurer of the municipality his warrant for the proper amount, payable from the permanent school or university fund; but such warrant shall not be paid by the state treasurer until the bonds are delivered to him. (789) [1876]

1957. Limit of debt — Authorization — Period — Change of boundaries—No loan shall be made which with all other indebtedness shall exceed the sum of fifteen per cent. of the assessed valuation of the taxable real property of such county, school district, city, village or township, nor until the county, school district, city, village or township shall have been authorized to issue bonds therefor in accordance with the provisions of law applicable thereto. No loan shall be made for a shorter period than five years, nor for a longer period than twenty years. No change of boundary lines shall in any way relieve such county, school district, city, village or township from any liability for taxation to pay such bonds. ('97 c. 83 § 7, amended '05 c. 8 § 1) [1877]

1958. Special tax levy—The annual tax levy for the payment of principal and interest on account of such bonds shall be for an amount fifty per cent in excess of the sum to be paid therefrom. The state auditor, at the time of certifying the state tax, shall also certify to each county auditor the amount necessary to pay such principal and interest. When collected so much of such tax as may be necessary shall be paid into the state treasury. The excess remaining shall be held over in the county treasury to be applied on the next future payment due on such bonds, and the amount of such excess shall be reported by the county auditor to the state auditor, on or before August first of each year, who shall deduct the same from his next annual tax levy for such purpose. The remainder, when such bonds are paid in full, shall be credited to the general fund of the municipality; and in case a portion of the territory embraced in such municipality at the time such bonds were issued, have since been set off to another municipality, or organized into a new municipality, such remainder shall be divided with such other municipality, using as a basis for such division the last assessed valuation of the territory affected by such bonds. Provided, that any such municipality which shall make payment to the state of the full amount of principal and interest due on account of such bonds prior to the extending of such tax therefor by the state auditor shall be exempt from the provisions of this section. (R. L. § 790, amended '09 c. 94 § 1) [1878]

1958-1. School district tax levies for payment of interest and creation of sinking funds for bond issues in excess of 15 per cent of assessed valuation—At or before the issuance of bonds by a school district which bonds together with the bonds of said school district then outstanding including bonds issued to the State of Minnesota will be in excess of fifteen per cent of its last assessed valuation the school board shall by resolution provide for the levy of an annual tax to pay the interest and create a bond sinking fund which annual tax shall be not less than an amount sufficient to pay the interest due the following year on all bonds of said school district then outstanding, excluding bonds issued to the State of Minnesota, and an amount not less than four per cent of the face value of said proposed bond issue and all other bonds of said school district then outstanding, excluding bonds issued to the State of Minnesota. A certified copy of said resolution shall be filed with the county auditor who shall include the levies provided for in the annual tax levies of said school district. The tax levy herein provided for shall be in addition to the tax levy required by Section 1878, General Statutes 1913, to pay the principal and interest of bonds issued to the State of Minnesota. Provided, however, that the sinking fund herein provided for shall be invested in accordance with the provisions of Section 1867 General Statutes 1913 or in obligations of the United States. ('23, c. 195, § 1)

Explanatory note—For section 1878, Gen. St. 1913, see 1958-1, herein, for § 1867, Gen. St. 1913, see § 1949, herein.

1959-1968
240nw 649
See 2794
See 2798d

1959. Sale of bonds to state—Municipality defined—The word "municipality" as used herein shall be held to mean and include the respective counties, cities, villages, boroughs, towns and school districts of the state of Minnesota. ('07 c. 122 § 1) [1879]

1959-1960
34 — 17

The act contains no repealing clause, but it appears to supersede §§ 1955–1957.

1960. Power of municipality—Whenever any municipality is authorized by law to issue its bonds and borrow money thereon, the same may be issued, negotiated, sold and delivered to the state of Minnesota by conforming hereto. ('07 c. 122 § 2) [1880]

1961. Where vote of electors is not required—Procedure—Whenever any municipality desires to issue its bonds for any purpose not now, or hereafter, requiring a vote of the electors thereof, the governing body of such municipality at any regular meeting or at any regularly called special meeting, may adopt, by majority vote, a resolution stating the authority of law under which the right is claimed to issue such bonds, the purpose for which it is proposed to issue the same, the number, the face value of each thereof, the time when each bond, to be issued thereunder, shall mature, the rate of interest the same shall bear, and direct that the same be issued to the state of Minnesota in accordance therewith. Thereupon the treasurer of such municipality shall forthwith make application to the state board of investment to purchase the same, and upon the approval of such application by the attorney general, as to form and execution, and otherwise by the state board of investment, such bonds may be issued, executed by the officers of the respective municipalities, sold to and purchased by the state of Minnesota, and shall thereupon become and be the valid obligation of the municipality issuing the same. Money obtained upon bonds issued to refund indebtedness previously existing shall be used for that purpose and no other. Whenever the state board of investment shall so request, each municipality issuing refunding bonds by virtue hereof, shall file with the state auditor the bonds or other evidence of indebtedness so refunded. ('07 c. 122 § 3) [1881]

1962 237nw 412

1962. Where vote of electors is required—Procedure—Submission to voters—Notice of election—Whenever any municipality desires to issue its bonds to the state of Minnesota for any purpose now, or hereafter requiring a vote of the electors, the governing body of such municipality may adopt, by majority vote, a resolution stating that it is expedient, in the opinion of such governing body to issue to the state of Minnesota the bonds of such municipality for the purpose or purposes therein stated, to the amount therein mentioned, to mature, to bear the rate of interest and to be of the number and amount therein set forth, or whenever a petition is filed with the clerk, or other like officer of such municipality, signed by ten or more freeholders, residents therein, stating that in the opinion of such persons signing the same it is expedient to issue to the state of Minnesota the bonds of such municipality for the purpose or purposes therein stated and to the amount therein mentioned, said clerk or other like officer shall furnish and give proper notice to said governing body which shall meet within ten days after such notice, and if the proposition contained in said petition be deemed by it expedient it shall adopt a resolution setting out the same facts as hereinbefore provided in case the initiative for such bond issue to the state is taken by said governing body; in either event the clerk or other like officer of such municipality shall submit the proposition or propositions therein contained to the electors thereof at a special election, to be held therein at a date not more than thirty days after the adoption of such resolution and shall give notice thereof by posting in three or more public places in said municipality, and in case of counties the same notice in each election precinct therein; and if there be one or more legal newspapers in said municipality, by publishing twice in not less than one such newspaper to be designated by the said clerk or other like officer, at least ten days before such election, the following notice:

NOTICE OF SPECIAL ELECTION.

Notice is hereby given that a special election will be held in the..... (village, city, town, county) of ..... (name) on the ..... (figures) day of ..... (month), 190.., for the purpose of voting upon the proposition of issuing to the state of Minnesota, the bonds of said municipality in the aggregate sum of $..... (total amount), bearing interest at the rate of ..... (figures) per centum per annum, the proceeds thereof to be used for the purpose of ..... (describing it generally, as construction of electric light plant, water works, municipal building, naming it, or bridge, as the case may be), and to be numbered and to mature as set forth in the ..... (resolution), now on file in the office of the .... (clerk or other like officer).

Dated ..... 190...

Such notice shall be signed by the clerk or other like officer. ('07 c. 122 § 4) [1882]

122–59, 141+1105.

The statute is complete in itself and is the controlling law. The proposition to issue bonds is carried by a majority of the electors voting at the election as provided in the statute. 156–268, 194+756.

The notice of election stated that the bonds were to be used for "building and equipment, including busses." The ballots stated that they were to be used for "building and equipment." The variance does not affect the validity of the election or of the bonds. 156–268, 194+756.

1963. Election—Form of ballot—Several propositions—Such special election may be held on a day separate, or on the day fixed for any other election, in which latter event the judges acting as such for the election then to be held shall act as the judges for said special election, but in either case a special ballot box shall be provided and the ballots cast on the proposition of issuing bonds shall be kept separate from all other ballots cast; such special election shall be by ballot and the ballot to be used thereat shall be in the following form:

BOND BALLOT.

Shall the bonds of the ..... (town, city, village, county) of ..... (name) be issued to the state of Minnesota in the aggregate amount of $..... (total amount), bearing interest at the rate of ..... (figure) per centum per annum, the proceeds thereof to be used for the purpose of ..... (describing it generally, as construction of electric light plant, water works, municipal building, naming it, or bridge, as the case may be), and to be numbered and to mature as set forth in the ..... (resolution) now on file in the office of the..... (clerk or other like officer).

Yes ..... ☐

No ..... ☐

More than one proposition may be submitted at such special election, in which event each proposition con-

tained in such resolution or petition shall be stated separately on the notice and on the ballot and shall be voted on separately, and the wording of any proposition to be voted for, as the same appears in the notice, shall also be the wording employed to state said proposition upon the ballot. Electors desiring to vote in favor thereof shall make their cross mark, thus X, opposite the word "Yes," and electors desiring to vote against the proposition shall make their cross mark, thus, X, opposite the word "No." ('07 c. 122 § 5) [1883]

1964. Election, how held, etc.—Application to state—The special election shall be conducted, the ballots counted and canvassed and the result certified in the manner then fixed by law, for the conduct of general elections therein, and if it appears therefrom that a majority of the electors voting thereat have voted in favor of any proposition, then submitted, to issue bonds to the state of Minnesota, the governing body of such municipality shall forthwith adopt a resolution issuing said bonds to the state of Minnesota, in accordance with the terms of such proposition and directing its treasurer or other like officer to apply to the state for a loan thereon. Such application shall be directed to the state board of investment of which the state auditor shall be clerk and shall also state the law, or laws, under which authority is claimed to issue the bonds therein mentioned. ('07 c. 122 § 6) [1884]

The judges of election were not sworn. The omission does not affect the validity of the election. 156–268, 194+756.

1965. Purchase of bonds by state—Upon the approval of such application by the attorney general, as to form and execution, and otherwise by said state board of investment, such governing body and the respective officers thereof shall have authority to issue, execute and deliver to the state of Minnesota the bonds of such municipality, in accordance with the vote of said electors, and said state board of investment shall have authority to purchase the same to an amount not exceeding 15 per cent of the assessed valuation of the taxable property of such municipality, according to the last preceding assessment. Such bonds shall not run for a shorter period than five years, nor for a longer period than twenty years. Forthwith upon the delivery to the state of Minnesota of any bonds issued by virtue thereof, the state auditor shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each such bond, and each county auditor shall keep a record thereof in his office in a book to be furnished him by the state auditor, at the expense of the state. ('07 c. 122 § 7, amended '17 c. 270 § 1) [1885]

122–59, 141+1105.

1966. Statement to board of investment, etc.—Any municipality issuing its bonds in accordance with the terms of this act shall also furnish a copy of the ballots used and such other information as may be required by the state board of investment, including a statement showing the valuation of the real and personal property situated therein at the last preceding assessment. ('07 c. 122 § 8) [1886]

1967. Blanks to be furnished by state—The various forms of petitions, resolutions, notices, ballots, applications and bonds contemplated by this act shall be printed by and at the expense of the state, from forms prepared by the attorney general, and shall be furnished by the state auditor, without cost to any municipality applying for the same. ('07 c. 122 § 9) [1887]

1968. Validity of bonds not to be questioned, except—Change of boundaries—The validity of any bond issued under the terms of this act shall never be questioned except on the ground that the same and the loan made thereon was not approved by the state board of investment; that the bonds in question made the entire bonded indebtedness exceed 15 per cent. of the assessed valuation of the taxable real property of the municipality issuing such bonds; that such bonds bear a lower rate of interest than 3 per cent.; that such bonds run for a shorter period than five years, or for a longer period than twenty years, or that the principal thereof was never paid by the state to, or received by the officers of the muncipality issuing the same; and no change of the boundary lines of any such municipality shall relieve the real property therein at the time of the issuing of such bonds from any liability for taxation to pay for the same. ('07 c. 122 § 10) [1888]

For purchase of certificates of indebtedness issued in aid of construction of public buildings see '11 c. 52. 122–59, 141+1105. 1968[1] 29 — 32

1968-1. Purchase of municipal bonds by State Board of Investment—The State Board of Investment shall have power to purchase upon the open market any bonds heretofore or hereafter issued by any municipality of this state and to purchase for its trust funds direct from any such municipality any bonds which such municipality may have authorized or shall hereafter authorize to be sold upon competitive bids, and any municipality which has authorized or may hereafter authorize the issuance and sale of any bonds may issue and sell such bonds to the state for its trust funds without first advertising for bids therefor. ('25, c. 350, § 1) 1968[1] 33 — 150; 1968[1] 34 — 52; Mason's 53[4]

1968-2. Same — Information furnished to Board — Any municipality desiring to sell any such bonds to the state shall furnish to the board of investment certified copies of all proceedings relating to the issuance and sale thereof, together with such other information as may be requested by said board, all of which shall be filed with the state auditor upon the approval of said bonds and the consummation of the sale. ('25, c. 350, § 2)

1969—Bonds purchased by state legalized—1. The word "municipality," as used herein, shall be held to mean and include the various counties, cities, villages, boroughs, towns and school districts in the state of Minnesota. 1969 31 — 203

2. Whenever the state board of investment shall have heretofore purchased with the funds of the state of Minnesota the bonds of any municipality in this state, the validity of any such bond shall never be questioned except upon the ground that the same and the loan made thereon was not approved by the state board of investment; that the bond in question made the entire bonded indebtedness exceed fifteen (15) per cent of the assessed valuation of the taxable property of the municipality issuing such bonds; that such bonds bear a lower rate of interest than three (3) per cent; that such bonds run a shorter period than five years, or for a longer period than twenty years; or that the principal thereof was never paid by the state to, or received by, the officers of the municipality issuing the same; and no change of the boundary lines of any such municipality shall relieve the real property therein at the time of the issuing of such bonds from any liability from taxation to pay for the same, and all such bonds so purchased are hereby declared to be the valid and subsisting indebtedness of each muni-

cipality respectively issuing the same. ('13 c. 363 § 2; '23 c. 273) [1891]

This section is identical with '15 c. 290 and '17 c. 234, except that "property" is used instead of "real property" in '15 c. 290 and '17 c. 234.

For similar curative acts, see 1907 c. 102; 1909 c. 99; 1911 c. 270.

Identical with Laws 1925, c. 44 and Laws 1927, c. 91.

1970. Defaced bonds, etc., duplicates—Whenever any bond or other obligation of a municipality shall become so mutilated or defaced as to be unfit for circulation, it may be surrendered and canceled, and a duplicate thereof, and of the unpaid coupons, if any, may be issued to the owner, marked with the word "duplicate" and the date of issue; such marking to be signed by the treasurer then in office. But no such duplicate shall issue unless authorized by vote of the governing body of the municipality. (791) [1893]

1971. Lost instruments—Indemnity—If any such obligation be destroyed or lost, another, upon a like vote, may be issued to the owner in its place, corresponding with the missing instrument in number, date, amount, and unpaid coupons, signed by the proper officials who are then in office, and marked and dated as provided in § 1893. But in such case the owner shall first give bond to the municipality, in a sum double the amount of the lost obligation, conditioned to save it harmless in the premises, which bond shall be approved by a judge of the district court. A record of all such reissues and duplicates shall be kept by the treasurer, showing the date of issue and the persons to whom issued. (792) [1894]

§ 1893 referred to is § 1970, herein.

1972. Laws as to outstanding bonds continued—Notwithstanding the repeal by the Revised Laws of statutes relating to bonds theretofore issued by any municipality, the obligations of such municipalities thereunder, and the duties of all public officers in any way relating thereto, shall continue in respect to such bonds until the same are fully paid. (793) [1895]

Chapter 123, Laws 1905 (Gen. St. 1913, §§ 1932, 1933) superseded the provisions of chapter 10, Rev. Laws 1905, in so far as they relate to the steps to be taken to issue village bonds to fund floating indebtedness. 157-469, 196+465.

1972N
25 — 173
174m 286
219nw 163
221nw 242
7447

POWERS OF CITIES WITH RESPECT TO BONDS.

The following acts have not been included. See also Villages and Cities, c. 9.

'05 c. 19, bonds for water works.

'05 c. 76, legalizing school bonds for graded school buildings, etc., under 1893 c. 204, and amendatory acts.

1972 Note
29 — 127
31 — 194
33 — 285

'05 c. 77, legalizing school bonds for high school buildings etc., under 1893, c. 204, and amendatory acts.

'05 cc. 76, 77 are curative, and not special legislation. (97-402, 106+477).

'11 c. 99, legalizing bonds issued for permanent improvement revolving fund.

'13 c. 303, street improvement and bridge bonds.

POWERS OF CITIES OF THE FIRST CLASS WITH RESPECT TO BONDS.

The following acts have not been inserted: See also Cities and Villages.

Cities 1st Class
34 — 2

'05 c. 58, authorizing bonds in aid of certain street improvements.

'05 c. 172, authorizing bonds to take up bonds which are lien on water or gas plant.

'07 c. 20, as amended by 1909 c. 360, and '11 cc. 119, 340, authorizing $1,000,000 bonds for high schools. Not applicable to cities under home rule charters.

'07 c. 21, authorizing $300,000 bonds for graded schools.

'07 c. 52, authorizing $500,000 bonds for main sewers. Not unconstitutional as special legislation (105-178, 117+422).

'07 c. 93, authorizing $300,000 bonds for parks and parkways.

'07 c. 147, validating sale of bonds for water and light plant, etc.

'07 c. 264, authorizing $175,000 bonds for improvements in street intersections and in front of exempt property

'07 c. 265, authorizing $500,000 bonds for cost of local improvements in advance of special assessments.

'07 c. 271, authorizing $1,000,000 bonds for streets leading to state buildings or institutions, etc.

'07 c. 287, authorizing $100,000 bonds for engine houses and equipment for fire department.

'07 c. 376, authorizing $2,000,000 bonds for purchasing and establishing gas works.

'09 c. 47, authorizing $100,000 bonds for bridges over railways.

'09 c. 89, authorizing $60,000 bonds for street paving.

'09 c. 156, as amended by '11 c. 208, authorizing $1,000,000 bonds for graded schools. Not applicable to city under home rule charter.

'09 c. 185, as amended by '11 c. 40, authorizing issue by cities not under home rule charters of $850,000 bonds for constructing bridges over navigable streams running through such cities.

'09 c. 206, authorizing $300,000 bonds for parks and parkways. Not applicable to city under home rule charter.

'09 c. 213, authorizing $50,000 bonds for central police stations.

'09 c. 228, as amended by '11 c. 189, authorizing $1,000,000 bonds for waterworks.

'09 c. 231, authorizing $400,000 bonds for wagon and foot passenger bridge over navigable stream within city. Not applicable to city under home rule charter.

'09 c. 357, authorizing $100,000 bonds for playground sites.

'09 c. 367, authorizing $200,000 bonds for improvements in street intersections and in front of exempt property. Not applicable to city under home rule charter.

'09 c. 370, as amended by '11 c. 157, authorizing $100,000 bonds for fire engine houses. Not applicable to city under home rule charter.

'09 c. 399, authorizing $150,000 bonds for bridge across navigable stream forming part of boundary line of city for traffic other than railways, street railways and tramways. Applicable to city under home rule charter.

'09 c. 406, authorizing $50,000 bonds for main sewers and repealing inconsistent acts.

'09 c. 489, authorizing issue by cities not under home rule charters of $200,000 bonds for main sewers, etc.

'11 c. 20, legalizing bonds issued by cities organized under 1895 c. 8 in certain cases, etc.

'11 c. 75, authorizing $700,000 bonds for electric light, heat and power plant, etc. Applicable to city under home rule charter.

'11 c. 108, authorizing $150,000 bonds for main sewers. Applicable only to city under home rule charter.

'11 c. 117, authorizing $800,000 bonds for high school buildings, etc. Not applicable to city under home rule charter.

'11 c. 118, authorizing $900,000 bonds for graded school buildings, etc. Not applicable to city under home rule charter.

'11 c. 137, authorizing $25,000 bonds for artesian wells, etc. Not applicable to city under home rule charter.

'11 c. 146, authorizing cities not under home rule charter to issue $400,000 bonds for hospital buildings, etc.

'11 c. 155, authorizing $800,000 bonds for parks and parkways. Not applicable to city under home rule charter.

'07 c. 93, '09 c. 206, and '11 c. 155, each authorizing bonds for park purposes, are valid and cumulative (115-188, 131+1015).

'11 c. 164, authorizing $80,000 bonds for public playgrounds, etc. Applicable also to cities under home rule charter.

'11 c. 230, authorizing $450,000 bonds for main sewers. Not applicable to city under home rule charter.

'11 c. 231, authorizing $250,000 bonds for street intersections. Not applicable to city under home rule charter.

'11 c. 262, authorizing cities under home rule charter to issue bonds to defray damages, costs and expenses in condemnation and taking of slaughtering or rendering establishments.

'11 c. 294, authorizing $75,000 bonds for additional fire engine house, etc. Not applicable to city under home rule charter.

'11 c. 307, authorizing $50,000 bonds for electric light, heat and power plant in connection with crematory, etc. Not applicable to city under home rule charter.

'13 c. 382, authorizing $50,000 bonds for arching creek, etc. Applicable only to cities not under home rule charters.

'13 c. 46, authorizing $300,000 bonds for hospitals and workhouses, etc. Applicable only to cities not under home rule charters.

'13 c. 117, authorizing $50,000 bonds for improving certain streets.

'13 c. 138, authorizing $50,000 bonds for public playgrounds. Applicable to cities under home rule charters.

'13 c. 149, authorizing $500,000 bonds for waterworks system, etc. Applicable to cities under home rule charters.

'13 c. 162, interest rate on bonds.

'13 c. 231, authorizing $125,000 bonds for street lighting equipment, etc. Applicable only to cities under home rule charters.

'13 c. 256, authorizing $250,000 bonds for sewers, etc. Applicable also to cities under home rule charters.

'13 c. 262, authorizing $350,000 bonds for sewers, etc. Applicable only to cities not under home rule charters.

'13 c. 268, authorizing $1,500,000 bonds for grade school buildings, etc. Applicable only to cities not under home rule charters.

'13 c. 274, authorizing $325,000 bonds for parks and parkways, etc. Applicable only to cities under home rule charters.

'13 c. 300, authorizing $150,000 bonds for sewers, etc. Applicable only to cities not under home rule charters.

'13 c. 304, authorizing $375,000 bonds for parks and parkways, etc. Applicable only to cities not under home rule charters.

'13 c. 311, authorizing $275,000 bonds for cost of certain local improvements not paid out of special assessments. Applicable only to cities not under home rule charters.

'13 c. 351, authorizing $50,000 bonds for plant for manufacture of street paving materials, etc. Applicable only to cities under home rule charters.

'13 c. 382, authorizing cities not under home rule charters to issue $50,000 bonds for arching creek, etc.

'13 c. 383, ratifying investments in city bonds and authorizing resale. Applicable only to cities not under home rule charters.

'13 c. 577, authorizing $150,000 bonds for fire houses, etc. Applicable only to cities not under home rule charters.

'15 c. 12, *authorizing cities which have sold bonds under* '13 c. 274 for parks and parkways to use the unexpended portion of the proceeds.

'15 c. 204, sale of bonds.

'15 c. 205, authorizing $100,000 bonds for erecting additions to and improvements of hospitals.

'15 c. 206, authorizing $310,000 bonds for so much of cost of paving, curbs and gutters and lateral and other sewers as is not assessable upon abutting or benefited property.

'15 c. 207, authorizing $85,000 bonds for constructing bridges over any navigable stream running through such city.

'15 c. 214, authorizing $250,000 bonds, for cost of main or trunk line sewers.

'15 c. 232, authorizing $125,000 bonds for improving parks and parkways.

'15 c. 266, authorizing $300,000 bonds for graded school buildings and $375,000 for high school buildings.

'15 c. 289, authorizing $18,000 bonds for incinerators at crematory plants.

'15 c. 340, authorizing $100,000 bonds for arching or covering over creek, etc.

'17 c. 99, authorizing $125,000 bonds for improving parks and parkways.

'17 c. 219, authorizing $100,000 bonds for improving and acquiring parks, parkways and playgrounds.

'17 c. 379, authorizing $150,000 bonds for caring for flood waters of creeks, etc.

'17 c. 420, authorizing $200,000 bonds for constructing and repairing bridges and viaducts.

'19 c. 100, tax for sinking fund.

Cities 2d Class 34 — 3

POWERS OF CITIES OF THE SECOND CLASS WITH RESPECT TO BONDS.

The following acts have not been included:

'13 c. 16, authorizing $145,000 bonds for high school buildings, etc.

'13 c. 242, authorizing $25,000 bonds for hospitals. Applicable to cities under home rule charters.

'13 c. 243, authorizing $75,000 bonds for city halls and lockups, etc. Applicable also to cities under home rule charters.

'15 c. 5, authorizing board of park commissioners to issue $35,000 bonds for parks and parkways.

'17 c. 16, authorizing $150,000 bonds for paving and curbing and storm water sewers.

POWERS OF CITIES OF THE THIRD CLASS WITH RESPECT TO BONDS.

The following acts have not been included:

See also Villages and Cities.

'13 c. 394, bonds for local improvements in cities not under home rule charter.

'15 c. 58, bonds for local improvements in cities not under home rule charter.

'17 c. 258, bonds for city hall.

Cities 4th Class 34 — 12 34 — 13

POWERS OF CITIES OF THE FOURTH CLASS WITH RESPECT TO BONDS.

The following acts have not been included:

See also Villages and Cities.

'05 c. 20, authorizing bonds to take up floating indebtedness, the provisions of which must be availed of within six months.

'05 c. 28, authorizing cities having less than 2,500 inhabitants to issue bonds for waterworks and electric light plants, to be issued prior to January 1, 1906.

'05 c. 152, legalizing certain floating indebtedness and authorizing bonds to pay same.

'07 cc. 6, 7, legalizing bonds voted or issued by cities under home rule charter.

'07 c. 62, authorizing bonds to take up floating indebtedness, and limited to eight months.

'07 c. 64, legalizing bonds issued in certain cases.

'07 c. 244, bonds in aid of railroads.

'09 c. 28, failure to advertise does not invalidate bonds.

'09 c. 35, legalizing bonds voted or issued for water plant system, and for purchasing fire engine, etc.

'13 c. 60, legalizing bonds.

'13 c. 277, bonds for floating indebtedness legalized.

'13 c. 338, approved April 17, 1913, authorizing bonds to take up overdue bonds, within 8 months after approval of act.

'17 c. 335, authorizing refunding bonds.

'23 c. 89, waterworks.

POWER OF VILLAGES WITH RESPECT TO BONDS.

The following acts have not been included:

See also Villages and Cities.

'05 c. 111, legalizing bonds issued in certain cases.

'05 c. 123, amended '15 c. 169; '17 c. 336, bonds for floating indebtedness of village.

'07 c. 306, legalizing orders or other evidences of indebtedness to defray cost of purchasing electric light or waterworks plant.

'09 c. 227, legalizing certain floating indebtedness and authorizing issue of refunding bonds.

'09 c. 166, legalizing bonds issued or voted for refunding floating indebtedness.

'13 c. 225, legalizing bonds issued for refunding floating indebtedness.

'15 c. 7, legalizing bonds issued in purchasing a site and building for village hall.

'15 c. 320, bonds for floating indebtedness of village.

'17 c. 62, legalizing bonds issued for funding floating indebtedness.

POWER OF COUNTIES WITH RESPECT TO BONDS.

The following acts have not been included:

See also Counties, c. 7.

Counties
29 — 41
29 — 114
29 — 116
29 — 127
31 — 194
33 — 43
33 — 91
33 — 131
33 — 137
33 — 258
33 — 338
33 — 387
34 — 18
34 — 31
34 — 44
34 — 49
34 — 64
34 — 65
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'05 c. 23, authorizing bonds for building court house, prior to September 1, 1905.

'05 c. 24, legalizing acts of commissioners in creating indebtedness for poor house in certain cases.

'05 c. 65, authorizing refunding bonds in certain cases, prior to January 1, 1906.

'05 c. 175, amended '21 c. 22; '21 c. 117, bonds for erection of court house. (See also 109–328, 123+590).

'07 c. 126, authorizing certificates of indebtedness for heating plant in court house.

'07 c. 130, authorizing certificates of indebtedness to aid in erection, construction and furnishing of court house, jail and other county buildings in counties having property of assessed valuation of not less than $100,000,000 and bonded indebtedness of not more than $700,000. Constitutional (105–403, 117+611).

'07 c. 461, authorizing refunding bonds by certain counties prior to January 1, 1908.

'09 c. 16, authorizing certificates of indebtedness to aid in erection, construction and furnishing of court house, jail and other county buildings in counties having property of assessed valuation of not less than $200,000,000, and bonded indebtedness of not more than $1,400,000

'09 c. 245, authorizing bonds to pay floating indebtedness.

'09 c. 405, authorizing counties having 275,000 inhabitants to issue $1,000,000 bonds for roads and bridges. Unconstitutional (110–98, 124+635).

'11 c. 375, authorizing bonds to pay floating indebtedness.

'13 c. 100, authorizing bonds for improving lakes prior to May 15, 1913.

'13 c. 207, authorizing bonds to aid railroads in counties having no railroad connection at county seat.

'15 c. 179, authorizing counties having valuation of $6,000,000 and not more than $10,000,000 and area of not less than 75 nor more than 100 townships to issue prior to December 31, 1916, bonds for paying interest coupons *on drainage bonds, etc.*

'17 c. 13, authorizing counties to issue $600,000 certificates of indebtedness to take up certificates issued under '07 c. 130 (applicable to counties having valuation of $100,000,000 and bonded indebtedness of not more than $700,000). See G. S. '13 p. 404.

'17 c. 111, authorizing counties having 300,000 inhabitants wherein a county sanitarium is established to issue $300,000 bonds for enlarging, etc., such sanitarium.

'17 c. 192, authorizing counties having valuation of more than $6,000,000 and less than $8,000,000 to issue bonds to take up floating indebtedness.

'17 c. 199, authorizing counties to issue not after May 15, 1917, $25,000 bonds for improving lakes within such counties.

'17 c. 443, authorizing adjoining counties $30,000 bonds for roads. Such bonds must be authorized before June 1, 1917.

'23 c. 90, legalizing county bonds.

'23 c. 320, authorizing $250,000 for the purpose of permanently improving certain roads and providing for reimbursement by state.

'23 c. 345, authorizing extension of time of payment of installments for ditch work.

'23 c. 388, authorizing $6,000,000 to construct or improve roads and bridges. Applicable only to counties having an assessed valuation of not less than $200,000,000 and having a bonded indebtedness of not to exceed $1,000,000.

POWERS OF TOWNS TO ISSUE BONDS.

The following acts have not been inserted:

See also Towns, c. 8.

'05 c. 11, authorizing bonds for roads, bridges and town halls. (116-371, 133+962).

'05 c. 64, amended '07 c. 63, bonds for roads and bridges.

'05 c. 244, legalizing certain bonds issued by organized towns for building roads, bridges or town halls.

'07 c. 154, legalizing bonds issued by organized townships in certain cases.

'09 c. 44, legalizing town or village orders and certificates of indebtedness and expenditures on account of drainage of wet lands for benefit of highways and streets. Application of act (112-1, 127+420).

'09 c. 446, authorizing refunding bonds to take up and refund bonds issued and sold prior to 1903 for building roads and bridges, whether or not bonds have been declared illegal, etc.

'15 c. 3, bonds for children's home in counties over 200,000.

'15 c. 103, authorizing tax levy to pay interest on bonds.

'15 c. 256, legalizing refunding bonds of county.

'17 c. 52, authorizing issuance of bridge bonds without submission to voters.

'17 c. 59, legalizing bonds.

'17 c. 389, legalizing town bonds.

1973 sub secs 1-4
29 — 370
Art 9 §12
174m 286
219nw 163
23-GS 107

1973. Bonds of school districts—The trustees or board of education of any school district in this state, whether such district be organized by or under any special law of this state, or otherwise, are hereby authorized and fully empowered to issue the orders or bonds of their respective districts, with coupons, in such amounts and at such periods as they may be directed by a vote of a majority in favor thereof of the legal voters present and voting at any annual meeting, or at any special meeting, called for the purpose, of the district; said orders or bonds to be payable in such amounts and at such times, not exceeding fifteen years, as the legal voters thereof at such meeting shall determine, with interest not to exceed seven per cent per annum; which orders or bonds and coupons shall be signed by the directors and countersigned by the clerk of said district, or by the president of (the) board of education and the clerk of the board of education. (G. S. 1894 § 3688, amended '05 c. 272 § 1) [1968]

151-83, 185+1019.

156-268, 194+756;157-469, 196+465.

POWER OF SCHOOL DISTRICTS WITH RESPECT TO BONDS.

The following acts have not been included:

'13 c. 73, authorizing bonds by special school districts.

'11 c. 363, authorizing bonds of independent school district in city. (189+701)

'13 c. 18, legalizing proceedings by school districts to borrow money.

See '15 c. 339, legalizing bonds issued by independent school district to pay expenses incurred in construction of grade or high school buildings.

See '17 c. 54, legalizing bonds for same purpose.

See '17 c. 260, legalizing action taken by consolidated school districts relative to voting additional bonds to the State of Minnesota for completing a new school building.

See '17 c. 138, legalizing indebtedness incurred by the school directors of special school district in cities of the third class when the boundaries of such city or school district are identical.

See '23 c. 16, legalizing bonds heretofore voted upon, issued and sold by independent school district for the purpose of purchasing a school house site, and building a school building.

'23 c. 28, authorizing reduction of interest on school loans.

See '23 c. 122, authorizing retirement of bonds.

CHAPTER 10A

DEPOSITARIES OF PUBLIC FUNDS.

	Sec.
Depositories of funds—Securities in lieu of bonds	1973-1
Same—Existing contracts	1973-2
Same—Sections 102 and 107 superceded in part	1973-3
Same—Section 107 superceded in part	1973-4
Same—Cities of first class—Securities in lieu of bonds	1973-5
Same—Withdrawal of deposits—Delinquency in payment of taxes	1973-6
Same—National banks—Agreement to pay taxes due on shares of stock	1973-7

1973[1]
33 — 41
33 — 179
33 — 340
See 1327
See 7635

1973[1-4]
33 — 55
33 — 92B
33 — 277
33 — 306
See 6824-7

See, also, §§ 96 to 108, herein.

1973[1]
31 — 35
31 — 279
175m 482
181m 271
221nw 869
232nw 320
234nw 594

1973-1. Depositories of county, city, village, borough, town or school district funds—Securities in lieu of bonds—Any bank or trust company authorized to do a banking business in this state, designated as a depository of county, city, village, borough, town or school district funds, as provided by law, may, in lieu of the corporate or personal surety bond required to be furnished to secure such funds, deposit with the treasurer of the municipality making such designation, such bonds, certificates of indebtedness or warrants, except bonds secured by real estate, as are legally authorized investments for savings banks under the laws of the state or the bonds of any of the insular possessions of the United States, or the bonds of any state, or its agency, the payment of the principal and interest of which, or either, is provided for otherwise than by direct taxation. The total in amount of such collateral computed at its market value shall be at least ten per cent more than the limit of deposit which would be permitted if a corporate or personal surety

1973[1] Et seq.
34 — 62
107

bond was furnished. The depository may in its discretion furnish both a bond and collateral aggregating the required amount. Any collateral so deposited shall be accompanied by an assignment thereof to the municipality designating such depository, which assignment shall recite that such depository shall pay over to the treasurer, or his order on demand, or if a time deposit when due, free of exchange or any other charges all moneys deposited therein at any time during the period such collateral shall be so deposited, and to pay the interest thereon when due at the agreed rate; and that in case of any default upon the part of the depository the governing body of the municipality making the designation shall have full power and authority to sell such collateral, or as much thereof as may be necessary to realize the full amount due the municipality and to pay over any surplus to the depository, or its assigns. A depository may in its discretion deposit collateral of a value less than the total designation and may from time to time during the period of its designation deposit additional collateral and make withdrawals of excess collateral, or substitute other collateral for that on deposit, or any part thereof. Authority is vested in the treasurer to return the collateral to the depository when the trust so created is terminated, and he shall in the case of a reduction of the deposit permit the depository to withdraw the excess portion thereof. All interest on the collateral so deposited when collected shall be paid to the depository so long as it is not in default. Before any collateral is deposited with the treasurer it shall first be approved by the same authority that designated the depository but no such authority shall be necessary for the withdrawal of collateral. The closing of a depository shall be deemed a default upon the part of the depository and no demand upon the part of the municipality, or its treasurer, shall be necessary to establish such default. If a depository shall close, any time deposit placed therein shall immediately become due and payable. If both bond and collateral is furnished by a depository, all or any part of the collateral may be withdrawn without in any way impairing the full force and effect of the bond unless it shall contain a provision that the collateral shall not be withdrawn without the consent of the surety thereon. If a corporate surety bond is furnished by a depository it shall be in a penal sum not to exceed the amount designated as the limit of deposit therein notwithstanding any other provisions of law to the contrary. At no time shall the treasurer maintain a deposit in any depository against collateral in excess of ninety per cent of the market value thereof. Any provision of law authorizing any county, city, village, borough, town or school district to designate banks as depositories shall be construed to include trust companies authorized to do a banking business. ('25, c. 173, § 1)

Explanatory note—See, also, section 1973-5, post.

1973-2. Same—Existing contracts—Nothing in this act shall be construed as modifying or impairing any existing contract or obligation, but authority is hereby conferred upon any governing body or other authority authorized to designate depositories to terminate any existing contract with any depository by mutual consent and to make a new designation under the terms hereof for the unexpired period of the designation. ('25, c. 173, § 2)

1973-3. Same—Sections 102 and 107 superseded in part—The provisions of Sections 102 and 107, General Statutes 1923, so far as inconsistent with the provisions of this act and except as they relate to state depositories, are hereby superseded, amended and qualified to conform to the provisions of this act. ('25, c. 173, § 3)

Explanatory note—See sections 102, 107, 1973-1, 1973-2, ante.

1973-4. Same—Section 107 superseded in part—The provisions of Section 107, General Statutes 1923, so far as they relate to state depositories are superseded by this act. ('25, c. 265, § 5)

Explanatory note—See sections 98, 99, 101, 102, 107, ante.

1973-5. Depositories in cities of first class—Securities in lieu of bonds—The Common Council of any city in this state, including any city operating under a Home Rule Charter adopted pursuant to Section 36, Article 4 of the State Constitution, having a population of more than 50,000 inhabitants, may whenever any bank, authorized to do business in this state, shall be designated as provided by law as a depository of the moneys of such city, in lieu of a corporate or personal bond provided by law to secure such deposit, and in addition, to any bonds or securities which now by law may be substituted in lieu of such corporate or personal bond, furnish or deposit with the City Treasurer of such city, or officer having the custody of the moneys of such city, bonds of the United States Government in an amount equal to the maximum amount of money at any time to be deposited with such bank. Provided, that such bonds must have a market value of at least par, and shall be approved by the Common Council or City Council of such city and shall be accompanied by proper assignment to the end that such depository so depositing and assigning such securities shall and will safely keep and pay over to the City Treasurer, or officer having the custody of the moneys of such city, or his order on demand, free of exchange, all moneys deposited therein at any time while such bonds shall be so deposited, with interest thereon at the rate agreed upon, and provided that in case of default on the part of such depository, the Common Council or City Council of such city shall have full power and authority to sell such bonds, or so much thereof as may be necessary to realize the full amount of funds so deposited in such depository, together with interest thereon, and to pay the balance, or over-plus if any, to the depository entitled thereto. Authority is given to the Treasurer, or officer having the custody of the moneys of such city, to return said bonds to the depositor so depositing them when the trust so created is terminated and to exchange upon application any other bonds of the United States for the bonds so deposited of equal value of any of the bonds herein permitted to be deposited.

The interest on such bonds so deposited and furnished shall, when paid, be turned over to the bank so depositing the same, so long as it is not in default. ('25, c. 202)

29 1973 — 262

1973-6. Depositories—Bank delinquent in payment of taxes on stock shares—Withdrawal of deposits—No public moneys belonging to the State of Minnesota or to any county, town, city, village, borough, school district or other governmental subdivision therein shall be deposited or kept in any bank in this state while any taxes assessed against any of the shares of stock of such bank shall be or remain delinquent. All public moneys now or hereafter on deposit in any bank the tax on whose shares or any of them is now or shall hereafter become delinquent shall forthwith or immediately upon such delinquency be withdrawn by the officers having control thereof, and no public moneys

shall thereafter be deposited in such bank so long as such delinquency continues. ('27, c. 381, § 1)

Explanatory note—Laws 1927, c. 381 contains the following preamble: "Whereas, the officers of substantially all of the national banks in Minnesota are of opinion that it is for the best interests of said banks and their shareholders that taxes on bank shares continue to be levied and assessed under the present system of taxation in this state and have by petition to this legislature requested that no change be made in the laws relating to the taxation of mortgages, money and credits and bank shares and agreed to use their best efforts to procure by July 1, 1927, from the holders of shares of stock in their respective banks authorization to pay taxes levied against such shares during the years 1927 and 1928, and have further suggested that measures be taken to not permit the keeping of public funds in any state or national bank the taxes on whose shares are delinquent and after July 1, 1927, in any national bank whose shareholders have failed to comply with the requirements hereinafter set forth in respect of authorizing the payment of taxes on such shares, now, therefore: Be it enacted by the Legislature of the State of Minnesota:"

31 1973 — 303

1973-7. Same—National banks—Agreement to pay taxes due on shares of stock—No such public moneys shall be kept in any national bank in this state after July 15, 1927, or shall be deposited in any such bank after July 1, 1927, unless such bank shall have filed with the Minnesota Tax Commission an agreement to pay all taxes that may during the years 1927 and 1928 be levied and assessed against the shares of stock in such bank under the laws of the State of Minnesota as they exist at the close of the present session of the legislature together with such evidence of authorization from the holders of shares of stock in such bank as the commission shall require. When the commission shall have determined that any national bank shall have complied with the requirement of this section it shall issue a certificate to that effect; but no such certificate shall be issued after July 1, 1927. One copy of such certificate shall be mailed to the bank to which it relates and one filed in the office of the county auditor of the county in which such bank is located. The commission shall on July 10, 1927, file in the office of the county auditor of each county a list of the names of the national banks, if any there be, located in such county to which certificates have not been issued as herein provided, and the county auditor shall give such notice of the filing of such list as he shall deem proper.

33 1973 — 315; 164m 235; 273 U.S. 561

The officers having control thereof shall on July 15, 1927, withdraw all public moneys that may be on deposit in any national bank not holding a certificate as herein provided and no public officer shall after June 30, 1927, deposit any public moneys in any national bank not holding such certificate. ('27, c. 381, § 2)

CHAPTER 11

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1940 Supplement

To

Mason's Minnesota Statutes

1927

(1927 to 1940)

(Superseding Mason's 1931, 1934, 1936 and 1938 Supplements)

Containing the text of the acts of the *1929, 1931, 1933, 1935, 1937* and *1939* General Sessions, and the 1933-34, 1935-36, 1936 and 1937 Special Sessions of the Legislature, both new and amendatory, and notes showing repeals, together with annotations from the various courts, state and federal, and the opinions of the Attorney General, construing the constitution, statutes, charters and court rules of Minnesota together with digest of all common law decisions.

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William H. Mason

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SAINT PAUL, MINNESOTA

1940

Laws 1895, c. 8, §66.
Mayor has control over contingent fund set aside for use pursuant to §§66 and 149. Op. Atty. Gen., Oct. 5, 1933.
Mayor has no authority to spend money out of contingent fund for purposes not authorized by §§66 and 149. Op. Atty. Gen., Oct. 11, 1933.
Laws 1895, c. 8, §88.
Contracts may be entered into and indebtedness incurred only to amount of money in treasury in fund corresponding to indebtedness sufficient to pay or as there is a tax levy in actual process of collection sufficient to pay, but this does not apply to delinquent taxes. Op. Atty. Gen., May 23, 1933.
Laws 1895, c. 8, §109.
City council may acquire land outside corporate limits for an airport without submission of question to voters. Op. Atty Gen. (59a-40), May 20, 1939.
Laws 1895, c. 8, §126.
Total bonded indebtedness of Thief River Falls must not exceed 10% of total value of taxable property, but bonds and certificates of indebtedness issued for purchase, construction, maintenance, enlargement and improvement of a water or light plant or local telephone exchange system are not included in arriving at limit. Op. Atty. Gen., May 23, 1933.
Warrants issued under §256, are not to be included in determining bond limit, and sinking funds payment of outstanding bonds may be deducted. Id.
Current indebtedness offset by current tax levy is not included within 10% indebtedness limit. Id.
Cities organized under this act are governed by this section and not by §§1941, 1942, of Mason's Stats. of 1927, and city of Cloquet may issue sewage disposal bonds without vote of electors, if effect of issuance will not raise city's indebtedness above 5% of taxable property of city. Op. Atty. Gen. (59a-7), Oct. 10, 1935.
Laws 1895, c. 8, §132.
Cities organized under this act may purchase on earnings plan equipment for water and light plants without vote of people. Op. Atty. Gen., July 11, 1933.
Laws 1895, c. 8, §133.
City may erect a building or arena to be used as indoor skating rink and bathhouse, and issue bonds therefor. Op. Atty. Gen. (59b-11), Nov. 21, 1935.
City council of Red Lake Falls has authority to purchase land and erect a building to be used as a municipal liquor store without submitting matter to city electors. Op. Atty. Gen. (218p), Apr. 7, 1937.
Laws 1895, c. 8, §135.
Mason's Stat. 1927, §1799-1, et seq., does not apply to city of Cloquet with respect to construction of sewage disposal plant, but such city has authority to establish such a plant pursuant to Mason's Stat. 1927, §1880, et seq. Op. Atty. Gen. (387b-9), Aug. 7, 1935.
Laws 1895, c. 8, §142.
City of Cloquet cannot grant electric and power franchise without advertisement or bid. Op. Atty. Gen. (624c-6), July 15, 1936.
Laws 1895, c. 8, §146.
Mason's Stat., §10939-1, does not take precedence over provisions of this section. Op. Atty. Gen., Dec. 13, 1933.
This act is applicable to 5 cities. Id.
Laws 1895, c. 8, §149.
Op. Atty. Gen., Oct. 5, 1933; note under §66.
Op. Atty. Gen., Oct. 11, 1933; note under §66.
Laws 1895, c. 8, §186.
City of Cloquet may accept donation of a building to be used as a civic recreational center in connection with its park system. Op. Atty. Gen. (700d-16), Nov. 2, 1936.
Laws 1895, c. 8, §207.
Neither members of board of equalization of Red Lake Falls nor assessor of the city are entitled to compensation, other than compensation received as councilmen and assessor. Op. Atty. Gen. (406c), Aug. 3, 1934.
Laws 1895, c. 8, §256.
Warrants issued under this section are not included in determining bond limit under §126. Op. Atty. Gen., May 23, 1933.
Laws 1895, c. 8, §296.
City of Cloquet may consider an automobile a necessary expenditure for superintendent of poor, for which reimbursement may be had from county. Op. Atty. Gen. (339m), Mar. 31, 1936.

CHAPTER 10

Public Indebtedness

1934. Scope of chapter.
Utility bonds legalized. Laws 1939, c. 137.
Fourth class cities, villages or boroughs, located in counties having 350 to 400 sq. miles area, 13,500 to 15,000 population and $5,000,000 to $10,000,000 valuation, and an area of 225,000 to 230,000 acres, may levy 2 mills for municipal bond purposes. Laws 1939, c. 421.
Village may issue bonds to pay for power house and distributing system and enter into valid conditional sales contract for purchase of generating equipment to be paid for solely from remains of net profits after paying interest and bond installments. Williams v. V., 187 M161, 244NW558. See Dun. Dig. 6669b.
City treasurer cannot pay interest on orders previously presented for payment after there is money available for their payment, it being the duty of the holder to keep himself informed. Op. Atty. Gen., Mar. 28, 1932.
In absence of statute or charter provision, city order, presented for payment and not paid for want of funds, becomes payable as soon as there is money available, but such warrants should be paid in order of their presentation. Op. Atty. Gen., Mar. 28, 1932.
City may not legally enter into conditional sales contract for purchase of personal property. Op. Atty. Gen., June 3, 1932.
A village may not issue bonds to care for its poor. Op. Atty. Gen., Aug. 2, 1932.
City of Winona may use city hall sinking fund, which it has no present intention of immediately using, to meet unemployment crisis by lending it to general fund. Op. Atty. Gen., Aug. 17, 1932.
City of Little Falls under its charter may issue bonds without vote of electors. Op. Atty. Gen. (624d-1), Oct. 22, 1935.
Town board may not issue bonds to improve existing town roads. Op. Atty. Gen. (43b-4), Jan. 30, 1939.
Municipalities may purchase insurance from mutual companies provided there is a limitation upon liability of members and contingent liability is within maximum indebtedness of municipality. Op. Atty. Gen. (487c-1), August 23, 1939.
An outline of municipal bond procedure in Minnesota. 20 MinnLawRev 583.

1935. Net indebtedness defined.
174M509, 219NW872.
Finding of nonpayment of certain school district warrants sustained and considered decisive of case. 173M94, 216NW789.
Holder of warrants held entitled to recover from district though treasurer was managing officer of bank and cashed the warrants with funds of bank and sold them as property of the bank. 175M166, 220NW428.
Purchaser of school warrants from bank was entitled to collect from district, where bank cashed warrants through its managing officer who was treasurer of school district and charged them to bills receivable and not to treasurer's account. 177M30, 224NW51.
Unaccrued rent is not a debt or present obligation of a city. Ambrozich v. C., 200M473, 274NW635. See Dun. Dig. 6579, 6701.
Public service contracts calling for payment in installments as services are rendered do not create an indebtedness against municipality until service is performed at which time installments fall due. Id.
Depository for county funds may deposit and assign county warrants as collateral security. Op. Atty. Gen., May 31, 1932.
Taxes levied and in process of collection cannot be deducted from the present indebtedness in determining debt limit of city. Op. Atty. Gen. (519c), May 26, 1936.
Obligation mentioned under subdivisions, 1, 3, 4, 5 of this section may be deducted in determining indebtedness of village under Laws 1885, c. 145, §22. Op. Atty. Gen. (59a-51), Nov. 20, 1936.
Power of village of Jeffers to issue certificates of indebtedness for purchase of fire apparatus and equipment is derived from Laws 1885, c. 145, and power of erecting a building to house the equipment is derived from §1942, but procedure for issuing certificates of indebtedness and bonds is restricted by general bonding statute, §§1938-3 to 1938-12. Op. Atty. Gen., (688c), June 27, 1938.
Drainage ditch bonds did not lose their character by reason of refunding. Op. Atty. Gen. (140f), June 10, 1939.
(2).
Function of a permanent improvement revolving fund is to make fund immediately available to pay for improvements, but to be replenished by special assessments. Op. Atty. Gen. (44a-4), March 6, 1939.

1935-1. Exemption of Tax Anticipated Loans.—Each city of the first class in the state is hereby authorized, in calculating net indebtedness, to deduct from the gross indebtedness thereof, in addition to deductions otherwise authorized by statute, the amount then outstanding of all loans in anticipation of the collection of general ad valorem taxes theretofore levied for city purposes, provided that the amount to be so deducted shall not exceed fifty per cent (50%) of such taxes which are then due and

payable and as to which no penalty as to delinquency has attached. (Act Apr. 13, 1933, c. 226.)

1936. Assessed value defined.

The definition of "assessed valuation" given by this section does not apply to the determination of the limit of tax levy of a city. Op. Atty. Gen., July 3, 1930. Feb. 6, 1930.

Railroad property on which gross earnings taxes are paid cannot be included in assessed valuation for purposes of determining maximum indebtedness of school district. Op. Atty. Gen. (216i), May 4, 1936.

An outline of municipal bond procedure in Minnesota. 20 MinnLawRev 583.

1937. Charter powers not modified.

Jackson City Charter, §7, is modified by state statutes to the extent that mayor and clerk may sign warrants on library funds without approval of the city council where claim is allowed by the library board. Op. Atty. Gen., May 6, 1931.

A city desirous of issuing new bonds to take up outstanding water bonds held by the state must submit the matter to the voters. Op. Atty. Gen., July 30, 1931.

This secion did not amend or modify provisions of charter of Fergus Falls, with respect to election to determine whether new bonds should be issued to take up outstanding bonds. Op. Atty. Gen., July 30, 1931.

City of Duluth may adopt ordinance declaring sewage disposal plants to be a public utility and issue bonds to pay cost of completing same payable out of rentals or charges for use of such plants, without an election, and sell them to the state. Op. Atty. Gen. (387b-9), Sept. 23, 1937.

Hastings home rule charter, c. 5, §3, and not §1938-6, controls with reference to votes required to authorize bond issue for a new city hall in that city. Op. Atty. Gen., (63b-3), Aug. 10, 1938.

1938. Limit of debt—Excess void.

Limit of amount which village may levy for poor relief is limited to total amount which it may levy for all purposes. Op. Atty. Gen., Aug. 2, 1932. See Dun. Dig. 6579.

Authority of villages to purchase personal property under conditional sales contract and necessity for bids, discussed. Op. Atty. Gen. (707a-15), Dec. 4, 1934.

A school district cannot insure in mutual company where there is unlimited liability, but can where there is a fixed, limited liability. Op. Atty. Gen. (487c-5), Dec. 28, 1934.

State board of investment may loan state funds to a village upon its bonds in an amount not exceeding 15% of assessed valuation of taxable property. Op. Atty. Gen. (44a-7), Feb. 9, 1937.

1938-2½. Interest rates on municipal obligations.—Any county, school district, town, city, village, or borough issuing bonds for the purpose of funding or refunding outstanding indebtedness under any applicable law may issue such bonds bearing interest at rates varying from year to year which may be higher in later years than in earlier years, in which case such rates shall be specified in such bonds, but the highest rate contracted to be so paid shall not exceed the maximum rate authorized by the law under which such bonds are issued. Any agreement to pay interest as herein authorized shall be valid and binding according to its terms. This Act shall not be construed as authorizing a provision in any such bonds for the payment of a higher rate of interest after maturity than before. The term "bonds" as herein used shall include certificates of indebtedness and warrants and any other form of municipal or public obligation having a definite or fixed maturity, whether or not the same be redeemable prior to such maturity date. (Act Apr. 8, 1933, c. 171.)

1938-3. Obligations of cities, villages, boroughs, counties, towns, and school districts—Definitions.

Act Jan. 13, 1936, c. 18, Sp. Ses. 1935-36, legalizes certificates of indebtedness issued by independent school districts in specified amounts for constructing addition to existing school building, and authorizes levy of tax.

Counties having 22 to 24 townships and population of 16,500 to 18,000 and valuation of $7,000,000 to $9,000,000 may levy 1½ mills above legal limit for two years. Laws 1939, c. 176.

175M201, 220NW606.

Williams v. V., 187M161, 244NW558; note under §1934.

This act [§§1938-3 to 1938-13] does not repeal §§1593 to 1600, and does not govern Minneapolis. 174M509, 219 NW872.

Checks drawn by treasurers of political subdivisions upon banks, are not subject to tax imposed by Federal Revenue Act 1932, §751. Op. Atty. Gen., June 23, 1932.

Any city whether home rule or not may elect to proceed under §§1311 to 1317 and issue bonds, or in lieu thereof, interest bearing certificates, to raise funds for municipal electric light plant. Op. Atty. Gen., Aug. 24, 1933.

Laws 1921, c. 417 [§§2061 to 2066], Laws 1929, c. 206 [§§1186, 2061], are special and remedial in nature and intended to take care of special situations existing upon the iron range, whereas, Laws 1927, c. 131 [§§1938-3 to 1938-13], is a general law applying generally to municipalities throughout the state. Op. Atty. Gen., Mar. 2, 1934.

Laws 1929, c. 206, merely adds to and reenacts Laws 1921, c. 417, and in no wise repeals, qualifies or modifies Laws 1927, c. 131, insofar as latter chapter applies generally to municipalities throughout state. Id.

Laws 1927, c. 110 [§§2060-2 to 2060-4], is similar to Laws 1921, c. 417, except that it applies only to towns and as to such towns to which it applies on the iron ranges, it was intended to be remedial and to take care of special situations and was not repealed by Laws 1927, c. 131. Id.

Irrevocable future pledging of profit of electric power plant may be had for payment of bonds used in purchasing or constructing power plants by city of Eveleth. Op. Atty. Gen. (59a-7), May 31, 1935.

Debt limitation does not apply in issuing bonds to pay cost of electric light plant. Op. Atty. Gen. (44a-4), July 9, 1935.

Ditch bonds being general obligations of county are a part of entire bonded indebtedness. Op. Atty. Gen. (37b-2), July 10, 1936.

City of Le Sueur may exceed its debt limitation in purchasing Diesel engine to be used in operating an electric light and power plant, but cannot expend more than $1,000 therefor without a vote of electors. Op. Atty. Gen. (624e-8), Dec. 7, 1936.

State board of investment may loan state funds to a village upon its bonds in an amount not exceeding 15% of assessed valuation of taxable property. Op. Atty. Gen. (44a-7), Feb. 9, 1937.

City of Duluth may adopt ordinance declaring sewage disposal plants to be a public utility and issue bonds to pay cost of completing same payable out of rentals or charges for use of such plants, without an election, and sell them to the state. Op. Atty. Gen. (387b-9), Sept. 23, 1937.

School district which has levied tax may issue warrants and sell them to the general public where PWA director requires that funds be immediately available in cash as a condition precedent to receiving federal money. Op. Atty. Gen. (159a-5), Dec. 3, 1937.

Bonds issued for construction or improvement of a municipal water works system are to be deducted in determining net indebtedness though they are general obligations of municipality. Op. Atty. Gen. (44a-4), Feb. 23, 1938.

A village with an assessed valuation of $132,000 cannot expend more than 10% of such amount upon a sewer system in reliance upon §1189, unless bonds are to be sold to state of Minnesota or are payable wholly or partly from fees or special assessments. Op. Atty. Gen. (44a-4), Feb. 23, 1938.

Water and light bonds are not included as part of net debt. Op. Atty. Gen. (476a-4), Apr. 5, 1938.

Warrants issued pursuant to §1946-51 are not included as part of net debt of a municipality within §1938-3. Id.

Money in various funds is not deductible in order to arrive at net indebtedness in view of provisions for deduction of orders and warrants having no definite or fixed maturity and which are payable from various funds. Id.

Bonds of village may bear interest not to exceed 6%, and if sold to state may bear 3%. Op. Atty. Gen. (44b-17), Apr. 6, 1938.

Bonds issued for acquisition, construction, maintenance, repair or improvement of public water works systems are excluded in determining net debt, and may be issued in whatever amount electors may authorize, unless they are to be paid from general tax levy, in which case they may not exceed 10% of assessed valuation of all taxable property, including money and credits. Id.

Where village was unable to sell certificates of indebtedness and deposited them with village treasurer and issued warrants upon funds against which such certificates were issued, in accordance with §1225-80, and as a result of litigation assessed valuation of mineral properties was decreased 35%, and delinquent taxes on forfeited lands were cancelled, a sale of the certificates of indebtedness by the village at their face value and accrued interest would have no effect on their status as deductible items in net indebtedness calculations. Op. Atty. Gen. (476a-4), April 25, 1939.

An outline of municipal bond procedure in Minnesota 20 MinnLawRev 583.

(C).

Warrants issued by city of Anoka for improvements payable wholly or partly from collections of special assessments levied on property benefited thereby, even though general obligations of city, are not to be considered in determining limits of indebtedness under city charter, c. X, §7(5). Op. Atty. Gen. (59a-51), July 18, 1939.

(D).

Taxes levied and in process of collection cannot be deducted from the present indebtedness in determining debt limit of city. Op. Atty. Gen. (519c), May 26, 1936.

1938-4. Same—Amount of limitation on net indebtedness—Special existing limitations not increased—Elections, where required.—No municipality, except school districts, shall hereafter incur or be subject to a net debt beyond ten per cent of the last assessed valuation, as finally equalized, of all taxable property therein, including moneys and credits, provided, however, that municipalities receiving special state aid under the provisions of Chapter 259, Laws of 1923 [§§2087-1 to 2087-4] may incur, by a vote of a majority of the electors of such municipality, an indebtedness not to exceed twenty per cent of such assessed valuation, and no school district shall incur or become subject to a net debt beyond twenty per cent of such assessed valuation; provided that no city of the first class shall be subject to a net debt beyond five per cent (5%) of such assessed valuation unless the Charter for such city contains a provision to that effect; provided that this act shall not be construed as increasing the limit of debt, if any, prescribed by the special law or home rule charter under which any municipality is organized; provided further, that no independent school district located wholly or partly within a city of the first class shall have power to issue any bonds or any evidence of indebtedness unless first thereunto authorized by a two-thirds vote of the legislative body of the city within which such school district is situated in whole or in part; and no such school district shall have power to issue bonds or any evidence of indebtedness running more than two years, whenever the aggregate of the outstanding bonds and evidences of indebtedness of such district equals or exceeds three and one-half per cent of the assessed value of all the taxable property within such school district; provided, further, however, that if the net indebtedness of any municipality shall exceed the limit applicable thereto as provided herein, at the time this act takes effect, but was not in excess of the limit of debt prescribed by law at the time the indebtedness was incurred, such municipality may issue and sell, pursuant to the provisions hereof, obligations to refund any of such indebtedness at the time of the maturity thereof, if there are not sufficient funds to pay the same. ('27, c. 131, §2; (eff. Sept. 1, 1927); Apr. 24, 1935, c. 256; Apr. 19, 1937, c. 285, §1.)

See Act Jan. 13, 1936, Sp. Ses., 1935-36, c. 24.

School districts debt limit where 60% of property is exempt from local taxation. Laws 1939, c. 35, app. Feb. 28.

Minneapolis comes within the operation of §§1593 to 1600 and not this section. 174M509, 219NW872.

Village of North St. Paul may issue bonds for construction of well necessary for maintenance of waterworks system, notwithstanding limitations imposed by this section. Op. Atty. Gen., Sept. 13, 1933.

A village or other municipality may insure its buildings against loss by fire in a mutual insurance company provided liability does not exceed maximum statutory liability which may be incurred by such municipality. Op. Atty. Gen., Dec. 26, 1933.

This section is not applicable if proposed bonds are to be sold to the state of Minnesota, but proceedings must conform to §1995, et seq. Op. Atty. Gen. (44a-3), Nov. 18, 1935.

Debt limitations as to issuance of bonds for sewage systems by villages under different circumstances, stated. Op. Atty. Gen. (387g-2), Dec. 30, 1936.

Where old school building is torn down, and a new building constructed, and funds on hand are not sufficient to install a heating system, an emergency exists which authorizes issuance of warrants in excess of statutory limitation. Op. Atty. Gen. (159c-6), Oct. 20, 1937.

Emergency for voting bonds in excess of limit for construction of school building held not shown. Op. Atty. Gen. (426a), Dec. 6, 1937.

Valuation for indebtedness is not affected by homestead exemptions, but value of nontaxable lands cannot be included. Op. Atty. Gen. (159a-4), May 31, 1938.

Power of village of Jeffers to issue certificates of indebtedness for purchase of fire apparatus and equipment is derived from Laws 1885, c. 145, and power of erecting a building to house the equipment is derived from §1948, but procedure for issuing certificates of indebtedness and bonds is restricted by general bonding statute, §§1938-3 to 1938-12. Op. Atty. Gen. (688c), June 27, 1938.

Municipality cannot create a net indebtedness beyond that fixed whether debt is incurred to state by a vote of electors or otherwise. Op. Atty. Gen. (28a-8), July 28, 1939.

Effect of special fund doctrine on debt limitations. 23 MinnLawRev391.

1938-5. Same—Obligations—Maturity.

'37, c. 2, legalizes bond issues under this section. Op. Atty. Gen. (476b-14), June 12, 1934; note under §1229.

Bonds may be made to mature semi-annually. Op. Atty. Gen., July 16, 1929.

Bonds issued by a village, all to run for a full ten years, and not serially, are not legal in form. Op. Atty. Gen., Nov. 21, 1931.

State can loan money to a municipality which desires to fund its floating indebtedness under Laws 1927, c. 131, notwithstanding limitation as to maturity contained in §1956. Op. Atty. Gen., Oct. 14, 1933.

Loans from reconstruction finance corporation must be made by municipality pursuant to state laws. Op. Atty. Gen., Oct. 17, 1933.

Sewer and water system could be voted upon as a single question. Op. Atty. Gen., Nov. 27, 1933.

Bonds cannot be issued under §§1938 to 1938-15 with an on or before privilege of payment as provided in §§1946-5 and 1946-19. Op. Atty. Gen. (44a), Mar. 11, 1937. (A).

Maximum term of bond is 30 years where issued to private individual. Op. Atty. Gen. (159a-3), Feb. 7, 1935.

1938-6. Same—Obligations—Etc.

Op. Atty. Gen., May 11, 1933; note under §1229.

This act impliedly amends Laws 1921, c. 117, and bonds issued under the 1921 Law are obligations subject to the provisions of this act and a vote of electors upon the issuance of such bonds is required. Op. Atty. Gen., May 22, 1931.

Village may refund its outstanding warrants by issuing bonds. Op. Atty. Gen., July 26, 1932.

Five-eighths vote is needed to erect lighting and heating plant for village of Mora, notwithstanding bonds are to be sold to state. Op. Atty. Gen., May 24, 1933.

County board of Lake County could issue funding or refunding bonds to take up outstanding orders of township which had been dissolved without first submitting matter to vote of electors. Op. Atty. Gen., Aug. 9, 1933.

Village of Winnebago could issue its bonds to refund its maturing bonded indebtedness without submitting same to vote of electors. Op. Atty. Gen., Sept. 14, 1933.

Notice of special election called to authorize building of new village hall and issuance of bonds held to comply with statutory provisions. Op. Atty. Gen. (476b-8), Apr. 24, 1934.

This section was not intended to permit issuance of bonds, even for funding outstanding warrants or bonds without approval of electors, except in cases where under existing laws this was permitted. Op. Atty. Gen. (44b-12), Nov. 23, 1934.

Villages operating under Laws 1885, c. 145, and those operating under general statutes are authorized to issue refunding obligations without submitting proposition to a vote of electors to refund matured bond issued in connection with purchase of power plant and payable out of earnings of such plant. Op. Atty. Gen. (476a-12), July 9, 1935.

Refunding bonds may be issued without vote of electors to take up certificates of indebtedness of a village payable out of earnings of water and light funds. Op. Atty. Gen. (476a-12), July 25, 1935.

Power of county to issue funding bonds to take up floating indebtedness represented by warrant overdrawing poor funds as applied to administration of old age assistance act. Op. Atty. Gen. (521 1-2), Mar. 26, 1936.

City of Pipestone under its charter may issue bonds to carry out agreement with the state highway commissioner for improvement of street without vote of electors, but resolution authorizing bonds must receive four-fifths vote of all members of council. Op. Atty. Gen. (36c-7), June 6, 1936.

Refunding bonds may be issued under Laws 1937, c. 62, §2, without a vote of electors. Op. Atty. Gen. (44b-12), June 2, 1937.

Laws 1931, c. 131 (§§1938-3 to 1938-12), supersede §1941 and a majority of votes cast by electors is sufficient to authorize issuance of bonds by an independent school district to finance building of an addition to school house and to install heating, ventilating and plumbing plants. Op. Atty. Gen. (159a-3), June 7, 1937.

City of Eveleth held authorized to issue without vote of electors bonds to refund certificates of indebtedness issued in 1933, 1934, and 1935. Op. Atty. Gen. (36i), Aug. 6, 1937.

Hastings home rule charter determines number of voters necessary to authorize bond issue by that city. Op. Atty. Gen. (63b-3), Aug. 10, 1938.

A blank ballot may be disregarded in computing vote actually required to carry proposition. Op. Atty. Gen. (44B-8), May 22, 1939.

County may purchase an existing garage building to be used as an annex to court house for welfare and relief offices, sewing room, office of rural rehabilitation and surplus commodities, house road equipment, etc., without a vote of electors, if court house is overcrowded and a real emergency exists and suitable space cannot be rented, if there is sufficient money to pay therefore out of general revenue fund, and no bonds are to be issued. Op. Atty. Gen. (125a-20), July 25, 1939.

No vote of electors is necessary for issuance of refunding bonds to take up bonds of a school district outstanding at time of passage of Laws 1935, c. 119, in view of

Laws 1939, c. 223, amending §1942. Op. Atty. Gen. (159a-5), July 25, 1939.

1938-7. Same—Tax levy for payment of obligations.

Act Feb. 23, 1933, c. 37, makes this section applicable to refunding bonds issued or ordered to be issued prior to Feb. 23, 1933, under Laws 1919, c. 41.

Laws 1933, c. 145, validates county certificates of indebtedness issued to townships in payment for road aid advanced, and authorizes levy of tax.

A village may only issue orders to the extent that it has cash available to pay the same, adding thereto the amount of taxes for the current year uncollected but in the process of collection. Op. Atty. Gen., Apr. 4, 1931.

This act does not apply to levy to take care of bonds issued pursuant to Laws 1931, c. 342, but a village may nevertheless anticipate delinquencies and provide for them by an excess levy. Op. Atty. Gen., Aug. 5, 1931.

Continuing levy may be made to raise taxes to pay commercial bonds issued after September 1, 1927. Op. Atty. Gen., Aug. 23, 1933.

Bond obligations have a preference over current operating expenses of city to extent that provision must be made by city for sufficient tax levy to take care of the principal and interest before provision is made for current operating expenses, but when a tax levy has been made in proper amount and collections prove insufficient to take care of principal and interest, bondholders have no right to look to other tax revenue funds levied for other city purposes for the payment of the bonds. Op. Atty. Gen. (59a-7), May 31, 1935.

School board of city of Stillwater may not levy in excess of 23 mills for school purposes without approval of city council. Op. Atty. Gen. (519m), Dec. 17, 1937.

City of Mankato under its home rule charter may issue water works bonds as general obligations and levy an ad valorem tax each year to take care of principal and interest payments in conformity with this act. Op. Atty. Gen. (624d-1), Feb. 14, 1938.

1938-11. Same—Sinking funds—Investment of surplus.

Village cannot pay a premium for the privilege of retiring its own bonds, but may invest a sinking fund in its own bonds at the market value. Op. Atty. Gen., Feb. 17, 1930.

Laws 1929, c. 25, amending Mason's Stats., §1949, did not have the effect of repealing or superseding this section, and a school district may invest its sinking fund in warrants issued by a municipality having a definite maturity date. Op. Atty. Gen., Feb. 23, 1931.

Investment of a school district sinking fund is now governed by this section, and not by §1949. Op. Atty. Gen., Sept. 17, 1931.

School district may lawfully invest any moneys in its sinking fund in bonds of the district, and is not limited by the par value of such bonds. Op. Atty. Gen., Aug. 19, 1931.

School board did not have authority to purchase a mortgage, and the assignment may be rescinded. Op. Atty. Gen., Dec. 23, 1931.

School district may legally invest surplus in sinking funds in its own bonds. Not repealed by §1949, as amended. Op. Atty. Gen., May 5, 1932.

Surplus funds of village water, light, power and building commission may not be invested in securities unless such funds are part of the sinking fund. Op. Atty. Gen., Aug. 9, 1932.

A village may not lend surplus funds of municipal light and power department to consolidated school district in which village is located. Op. Atty. Gen., Sept. 1, 1932.

Village may invest surplus money in sinking fund in its own warrants which have a definite or fixed maturity. Op. Atty. Gen., Jan. 18, 1934.

A village may not lend its funds to a school district for building school where district is independent of village but village may be invested in school district certificates of indebtedness. Op. Atty. Gen., Mar. 5, 1934.

Credit union may not be designated as city depository nor may city funds be invested in securities thereof. Op. Atty. Gen. (53b), Nov. 21, 1935.

Surplus utility funds may be invested in city's municipal bonds and such bonds are sold when funds are needed for purpose for which the same were created. Op. Atty. Gen. (59a-22), Dec. 5, 1935.

This section controls class of securities in which public utility reserve fund of Granite Falls may be invested. Op. Atty. Gen. (616d-12), Jan. 18, 1937.

City may invest surplus money in sinking fund in its own warrants having a definite or fixed maturity. Op. Atty. Gen. (59a-22), Jan. 23, 1939.

1938-13. Same—Laws repealed—Effective.

Laws 1927, c. 131 [§§1938-3 to 1938-13], did not repeal Laws 1923, c. 21 [§§1593 to 1600], and the city of Minneapolis does not come within the operation of said Laws 1927, c. 131. 174M509, 219NW872.

1938-16. Expenditures limited. — The governing body of each village heretofore or hereafter issuing bonds pursuant to the provisions of Chapter 331, General Laws, 1927, [§§1946-3 to 1946-12] shall annually at its first meeting in each fiscal year determine the amount of funds which will be available during the current year for all and each of its public purposes, from the proceeds of the tax levy lawfully made therefor in the preceding year and from state aid and from other sources known or reasonably anticipated to be due and payable into its treasury during such year, and shall thereupon, at such meeting, make and spread on its minutes a definite budget of the expenditures made and to be made and indebtedness incurred and to be incurred by it for all and each of such purposes during such year, which expenditures and indebtedness shall in no case exceed the aggregate amount of revenues so determined to be available for all and each of such purposes for such year. Such budget shall first allot, and there shall be first set aside and payable, out of the receipts for such year, pursuant to levies therefor, the amount required to meet principal and interest due in that year on the bonds issued pursuant to said Chapter 331 and on any outstanding bonds and items not funded or refunded, contemplated by said Chapter 331. There shall then be allotted respectively, such amounts as shall be required and appropriable to pay outstanding warrants or orders and for each of the necessary current purposes, and such amount as shall be deemed necessary for an emergency fund, and what remains may be allotted to be expended on new undertakings of construction, improvement, extension or otherwise to which it is lawfully appropriable. As nearly as may be, a specific program of expenditures shall be determined upon and the amount to be expended on each item determined and allotted; and no change in such program shall be made, nor additional expenditures made nor indebtedness incurred, which shall cause to be diverted to other purposes any part of the amount herein required to be allotted for payment of principal and interest, and for payment of outstanding warrants or orders and for necessary current purposes and for the emergency fund, nor which shall cause the expenditures made or indebtedness incurred in any year to exceed the total revenues determined, as aforesaid, to be available for such year. The emergency fund may be used to pay extraordinary items of lawful expenditures occasioned by emergency which could not be anticipated when the budget was made. (Act Apr. 27, 1929, c. 416, §1.)

1938-17. Recording officer to keep record.—The recording officer shall keep a record showing accurately the amount allotted to each item of the budget for each year and the amounts incurred and expended from time to time on account of each of such items, which record shall be presented and examined at each meeting of the governing body and show the true condition of affairs at the date of such meeting. No indebtedness shall be incurred for any purpose except pursuant to action of the governing body while in meeting assembled, specifying, as nearly as may be, the purposes and the amount thereof. (Act Apr. 27, 1929, c. 416, §2.)

1938-18. Filing of claims.—All claims against any such municipality must be filed with the recording officer within thirty days after the accrual thereof; if not so filed, no liability shall exist therefor unless and until funds shall be appropriable therefor without disturbing the preferred funds specified in Section 1 hereof and without increasing expenditures or indebtedness beyond the limits therein prescribed. It shall be the duty of the recording officer after any such claim has been filed with him to present same to the governing body at its next meeting, and at such meeting such claim shall be acted upon. (Act Apr. 27, 1929, c. 416, §3.)

1938-19. Violations a misdemeanor.—Any member of the governing body or other officer or employe of such municipality knowingly authorizing or participating in any violation of this act shall be guilty of a misdemeanor, punishable by a fine not exceeding

one hundred dollars or imprisonment in the county jail not exceeding three months for each offense. Every contract entered into or indebtedness or pecuniary liability attempted to be incurred on violation of the provisions of this act shall be null and void in respect to any obligation sought thereby to be imposed upon the municipality; and no claim therefor shall be allowed by the governing body, nor shall any officer issue or pay any warrant, order or other evidence of debt on account thereof. Each member of the governing body or other officer or employe so knowingly participating in or authorizing any violation of this act shall be individually liable to the corporation or to any other person for any damages caused thereby; and for the purpose of enforcing such liability without impairing any other remedy, one-fourth of the salary of each such officer and employe shall be withheld from him and applied towards reimbursing the corporation or any other such person for such damages, until all claims by reason thereof have been paid. Each member of the governing body present at a meeting thereof when any action is taken with reference to paying money or incurring indebtedness or entering into any contract shall be deemed to have participated in and authorized the same unless he shall cause his dissent therefrom to be entered on the minutes of the meeting. (Act Apr. 27, 1929, c. 416, §4.)

1938-20. Voters may modify act.—The voters of any such village may, at any regular or special election, upon due submission of the question to them, modify the application of any provision of this act, except so far as vested rights may be substantially affected thereby. (Act Apr. 27, 1929, c. 416, §5.)

1938-21. Limitation of tax levies.—No school district, county, town or village shall contract any debt or issue any warrant or order in any calendar year in anticipation of the collection of taxes levied or to be levied for said year in excess of the average amount actually received in tax collections on the levy for the three previous calendar years plus ten per cent thereof. The limitations herein prescribed shall apply to each fund or purpose for which a tax levy has been made by any such municipality. Provided that this act shall not apply to any school district, county, town or village, wherein the mineral valuation as assessed, exceeds 25 per cent of the assessed valuation of real property in such taxing district. Provided further that this act shall not apply to any school district in a city of the first class which constitutes one single school district. (Act Apr. 15, 1931, c. 159, §1; Apr. 8, 1937, c. 180, §1.)

A salary schedule adopted by board of education of Duluth prior to enactment of the Teachers' Tenure Act does not determine the yearly salary to be paid its teachers after such act went into effect. The power of defendant to contract for the yearly salary of teachers is limited to the funds it is authorized to provide for conducting the schools for the same period. Teachers are charged with knowledge of extent of its power to contract. Sutton v. B., 197M125, 266NW447. See Dun. Dig. 8672.

This act refers only to warrants issued in anticipation of taxes duly levied, and has no relation to warrants issued against money in the treasury, and after a school district has issued the maximum warrants authorized in anticipation of taxes levied but not collected, it may issue further warrants upon receiving moneys from other sources, such as books, supplies, tuition, state aid, etc. Op. Atty. Gen., May 16, 1931.

This act does not give a township the power to ignore the rule that town orders must be paid in the order in which they were issued. Op. Atty. Gen., May. 26, 1931.

Neither school board nor school officers have authority in excess of the limitation prescribed with respect to the issuance of warrants or orders. Op. Atty. Gen., June 1, 1931.

This act cannot be resorted to as an authorization for issuing warrants in excess of the total amount of the levy for the calendar year in question. Op. Atty. Gen., Jan. 14, 1932.

This act is not rendered unconstitutional by accepting municipalities having certain mineral valuation. Op. Atty. Gen., Mar. 29, 1932.

Restrictions under this act have reference to limitations of expenditures against anticipated uncollected taxes and in no wise limit tax levies that may be made. Op. Atty. Gen., Mar. 29, 1932.

Limit of indebtedness which may be contracted by county in anticipation of uncollected taxes includes county charges under §§484, 872, 6993, 6998 and 7010 as well as incurrence of any county obligations which may be discretionary with county board. Op. Atty. Gen., Apr. 28, 1932.

The words, "the average amount actually received in tax collections on the levy for the three previous calendar years plus ten per cent thereof," have reference to taxes actually collected during that period of time and do not include moneys received from other sources. Op. Atty. Gen., Apr. 29, 1932.

Warrants may not be issued on account of road and bridge fund in excess of average tax collections as provided or in anticipation of State aid which has been allotted to county but not received. Op. Atty. Gen., Apr. 29, 1932.

When limit of indebtedness has been reached by county, remedy becomes matter of legislative relief or enactment of such laws as will relieve such conditions. Op. Atty. Gen., Apr. 29, 1932.

Village may issue warrants to care for poor up to amount of taxes levied and in process of collection. Op. Atty. Gen., Aug. 2, 1932.

Tax anticipation certificates may not be sold against delinquent taxes for poor relief purposes. Op. Atty. Gen. (339i-4), Oct. 2, 1934.

Board of education of city of Duluth is not required to take into account debts which were contracted by such board during same year but which have already been paid, and proceeds of taxes levied for year in which indebtedness is incurred will not have to be used to take care of prior debts which have already been paid. Op. Atty. Gen. (161b-10), Dec. 3, 1934.

Board of education of city of Duluth has authority to contract indebtedness in any calendar year in anticipation of collection of taxes levied or to be levied for such year, when such indebtedness is not in excess of the average amount actually received in tax collections on the levy for the three previous calendar years, plus 10% thereof, unless provisions of §2062, §2070 or Laws 1921, c. 332 are violated. Id.

Authority of villages to purchase personal property under conditional sales contract and necessity for bids, discussed. Op. Atty. Gen. (707a-15), Dec. 4, 1934.

Village of Winnebago has no authority to issue warrants in anticipation of tax collections for purpose of procuring funds at a rate of interest lower than 6% with which to pay bills for which otherwise warrants bearing 6% interest must be issued. Op. Atty. Gen. (476c-4), Jan. 17, 1935.

County may issue warrants for purchase of land for county fair purposes, but only when there is money in treasury sufficient to pay the same, or a tax is in process of collection pursuant to a tax levy, proceeds of which will be available for payment of warrants. Op. Atty. Gen. (107a-13), Oct. 17, 1935.

Warrants or orders may not be issued against county road and bridge fund in excess of average tax collection, or in anticipation of state aid from state gasoline tax which has been allotted to county but not received, but this statute does not limit amount of tax levy that may be made by county. Op. Atty. Gen. (107a-13), May 11, 1937.

School districts may issue tax anticipation warrants in connection with construction of building, but must first set aside funds for salaries, and necessary maintenance. Op. Atty. Gen. (426a), Dec. 6, 1937.

Where no levy has been made for building purposes, tax anticipation warrants cannot be issued against "building fund," and tax anticipation warrants may not be issued without vote of electors if payments thereof would depend upon future levies. Op. Atty. Gen. (159c-4), Mar. 24, 1938.

Section refers to actual amount collected in dollars and cents. Op. Atty. Gen., (519m), Dec. 6, 1938.

Section relates solely to taxes levied by school districts and not taxes levied by county or state for benefit of school districts. Id.

Financial condition of school district held to authorize issuance of bonds and warrants for a school gymnasium-auditorium. Op. Atty. Gen. (159c-6), Dec. 16, 1938.

Warrants may be issued only where there is money on hand for the payment thereof, or where taxes have been levied and are in process of collection which, when collected, will be available for the purpose of paying such warrants, and should not be used for a substitute method of financing, nor to swell district bank deposit for purpose of meeting demands of a WPA grant. Op. Atty. Gen. (159c-6), June 29, 1939.

A municipality may not incur an indebtedness by issuing warrants for water and sewer expenses in excess of amount of money actually on hand and in process of collection from taxes actually levied. Op. Atty. Gen. (476c-4), Sept. 1, 1939.

(1).

Independent school districts may within limitations purchase their own bonds at a discount before maturity and issue warrants in payment thereof, but only in such an amount that it will be able to issue additional warrants necessary to take care of other indebtedness. Op. Atty. Gen. (40), Apr. 21, 1934.

1938-22. Recording officer to make statement.—As soon as practicable after the beginning of each calendar year the clerk, or other recording officer of any municipality described in Section 1 shall present to the governing body of his municipality a statement of tax collections credited to each fund of his municipality during each of the three previous fiscal years and the yearly average thereof. The county auditor of the county shall be required to furnish such information to the clerk upon request. (Act Apr. 15, 1931, c. 159, §2.)

1938-23. Funding and refunding bonds may be issued in certain cases.—A municipality may issue bonds under the provisions of this act for the purpose of funding and refunding indebtedness existing as of January 1, 1937, at any time prior to July 1, 1939, provided that any plan which has been approved and accepted, in any proceeding taken under or by authority of this act, on or before said date may be consummated within a reasonable time thereafter. The terms "municipality" and "obligations" as used herein shall mean the same as defined in Section 1938-3 Mason's Minnesota Statutes. The term "governing body" as used herein shall refer to the board of county commissioners, board of supervisors, board of trustees, school board, or other body of the particular municipality exercising the administrative functions thereof. (Act Apr. 5, 1935, c. 119, §1; Mar. 25, 1937, c. 104, §1.)

Words "existing indebtedness" apply only to indebtedness at time of passage of act. Op. Atty. Gen. (159s-5), July 24, 1936.

County operating on cash basis pursuant to §1946-26½ may issue warrants or other evidence of indebtedness pursuant to §1938-23, without complying with the former, and may sell such evidence of indebtedness pursuant to §1944-1. Op. Atty. Gen. (107b-22), Dec. 15, 1936.

No vote of electors is necessary for issuance of refunding bonds to take up bonds of a school district outstanding at time of passage of Laws 1935, c. 119, in view of Laws 1939, c. 223, amending §1942. Op. Atty. Gen. (159a-5), July 25, 1939.

1938-24. Resolution to recite plan in detail.—Any municipality may by resolution of the governing body propose or accept and adopt a plan of adjustment of its indebtedness existing as of January 1, 1937, and provide therein for funding and refunding its obligations existing as of January 1, 1937, or any part thereof. Such a resolution shall recite the plan in detail, containing such provisions, not inconsistent with this act, as shall be found to be for the best interests of the municipality, its creditors, and its taxpayers. The plan may contemplate the issuance of bonds to refund any or all of its outstanding obligations, including those not matured; and may provide that bonds be exchanged, in whole or in part, for such obligations with the consent of the holders thereof given voluntarily or obtained in proceedings authorized in Section 3 hereof, or may provide for the sale or exchange of bonds from time to time as needed to meet maturing obligations. Any such plan may provide for the issuance of one series of bonds or more than one series. The governing body may fix a time limit within which creditors may surrender obligations for payment or exchange and may thereafter extend such time if it is found beneficial to the municipality to do so. The plan may require the consent of any specified percentage or amount of the holders of the obligations included in such plan before it becomes effective, and may provide that it shall become effective only upon condition that plans adopted under this act by any other municipality or municipalities whose territorial limits overlap, in whole or in part, those of the particular municipality shall also become effective. (Act Apr. 5, 1935, c. 119, §2; Mar. 25, 1937, c. 104, §2.)

Village organized under general laws need not submit propositions of issuing refunding bonds to a vote of electors but is is necessary to advertise for bids unless statutory provision pursuant to which such bonds are issued authorizes sale of same without bids. Op. Atty. Gen. (44b-12), June 17, 1935.

Bonds may be issued without vote of people, and may be issued to cover part of indebtedness. Op. Atty. Gen. (159a-5), Feb. 27, 1936.

1938-25. May file petitions—court approval.—In connection with, or independently of, a plan proposed or adopted under this act and for the purpose of rendering effective the privileges and benefits of Sections 78, 79 and 80 of the Act of Congress of July 1, 1898, as amended by the Act approved May 24, 1934, being Public Number 251 of the 73rd Congress, 48 United States Statutes at Large 798, and acts amendatory thereof or supplementary thereto, municipalities are hereby authorized and empowered to avail themselves of the provision of said Act, and acts amendatory thereof or supplementary thereto, to file petitions and otherwise institute, conduct and carry out any and all proceedings provided for thereunder, including the payment, subject to approval by the court having jurisdiction, of any fees and expenses necessary to make use of said Act. Such proceedings may be instituted pursuant to resolution of the governing body of the municipality without the necessity of any further action by the State of Minnesota. (Act Apr. 5, 1935, c. 119, §3.)

1938-26. Must list indebtedness.—Such resolution must list, or refer to a document on file in the office of the recording officer which lists all indebtedness proposed to be funded or refunded thereunder with sufficient detail to identify the obligations referred to, and, if the governing body so directs, the recording officer shall cause to be published in one issue of an official newspaper or other newspaper designated by the governing body a notice of the filing of such plan and list and a statement that notice is given pursuant to this section. The validity and enforcibility of any item of indebtedness so listed shall never be questioned in any action or proceeding unless the same shall be commenced prior to a date sixty days after the date of such publication. The failure to correctly describe any valid obligation shall not prevent the refunding of such obligation. (Act Apr. 5, 1935, c. 119, §4.)

1938-27. May sell funding or refunding bonds.—Upon any plan becoming effective according to its provisions, the municipality may sell or exchange funding and refunding bonds. The bonds shall be issued upon authority of a resolution adopted by a majority vote of the governing body, without submitting the matter to a vote of the electors, and no such resolution or any proceedings respecting any such plan or any such bond issue shall be subject to referendum vote under any law or home rule charter provision. The bonds shall be in such form and shall be executed in such manner as the governing body may determine and shall bear interest at a rate or rates fixed by the governing body not to exceed six per cent per annum, payable semi-annually. The annual interest rate on the bonds shall not exceed the annual rate on the indebtedness funded or refunded thereby. Each bond shall recite on its face that it is issued pursuant to this act. Bonds may be issued hereunder without regard to any limitation on net indebtedness. In event the debt refunded thereby shall be payable only from a special fund, such bonds shall be payable from such fund. All other bonds shall be general obligations of the municipality and the full faith, credit and unlimited taxing powers shall be pledged to their payment unless the plan and the terms of the bonds expressly provide otherwise.

The bonds of any series may mature serially. In such case, the first installment shall become due in not more than five years and the last installment in not more than thirty years from the date of issue; one installment shall fall due each year; and the largest installment shall not be more than five times the smallest preceding installment. Serial bonds may be made redeemable on any specified date or dates by appropriate provisions therein.

In the event that the bonds of any series do not mature serially, all such bonds must mature on a single date not more than thirty years after the date of issue, and shall be redeemable on any interest payment date at par and accrued interest, and the municipality shall agree to retire not less than a certain

percentage of such bonds each year commencing not later than the fifth year. Said bonds may be retired by purchase or by redemption. At any time there is any money in the special fund for such series in excess of the amount required to pay interest during the next ensuing year, the governing body may cause published advertisement to be made for offers to surrender bonds, and may use such money to purchase bonds below par by accepting the offers deemed most favorable. Any money not so used prior to thirty days before the next ensuing interest payment date shall be used for redemption. At least thirty days before each interest payment date, the treasurer shall specially deposit in the bank or with the institution at which such bonds are payable any money then remaining in such fund in excess of said interest requirements sufficient to retire one or more bonds, together with a list of the serial numbers and denominations of the bonds of such series then outstanding and a list of the names and addresses of holders thereof in so far as they are known. For such purpose, the recording officer shall keep a register showing the names and addresses of the holders in so far as such information is furnished to him by the holders of any such bonds. Thereupon the paying agent shall determine by lot which of the outstanding bonds shall be redeemed. Notices of call for redemption shall be mailed to the holders thereof, if known, at the last known address. The bonds so called, with interest to the redemption date, shall be paid out of the money so specially deposited on presentation thereof with all unmatured coupons attached. The bonds called for redemption shall cease to bear interest on the redemption date, and the accrued interest thereon shall not be paid unless the bond with unmatured coupons shall be surrendered for payment. The municipality shall pay to the paying agent reasonable compensation for its services hereunder. (Act Apr. 5, 1935, c. 119, § 5.)

Bonds may be issued without vote of people, and may be issued to cover part of indebtedness. Op. Atty. Gen. (159a-5), Feb. 27, 1936.

1938-28. May be sold for cash or exchanged.—Bonds may be sold for cash or may be exchanged for outstanding obligations or part sold and part exchanged, but none shall be sold or exchanged upon such terms that the interest costs of the proceeds will be more than six percent per annum computed to the maturities of the bonds of the series according to standard tables of bond values now in general nationwide use by financial institutions and insurance companies; provided, that bonds may be sold for cash only in the manner prescribed by Mason's Minnesota Statutes of 1927, Section 1943, and no bonds shall be exchanged pursuant hereto unless the municipality shall have offered them for sale in accordance with said section and shall have received no bid of par and accrued interest or better. The officers may use the proceeds of bonds sold to purchase outstanding obligations, for the refunding of which such bonds were issued, at the best price obtainable, not exceeding par and accrued interest to date of purchase, or may use such proceeds **to pay a certain percentage of** all obligations surrendered for exchange and deliver bonds in exchange for the remainder of said bonds or indebtedness. Prior to or contemporaneously with the delivery of bonds, at least an equal par value of outstanding bonds or other indebtedness shall be surrendered and cancelled. In so far as any exchanges are made, the outstanding obligations shall be taken at not more than the face amount with accrued interest, and the bonds delivered shall be valued at not less than the face amount with accrued interest. (Act Apr. 5, 1935, c. 119, §6; Jan. 18, 1936, Ex. Sess., c. 38.)

Series A bonds may be purchased by state board of investment without first offering same for sale. Op. Atty. Gen. (928a-2), Mar. 18, 1936.

1938-29. Tax levy to retire bonds.—Prior to the issuance of bonds, the governing body shall cause a levy to be made upon all the taxable property in the municipality of a direct, annual, irrepealable tax for each series of general obligation bonds sufficient to pay the pricipal of and interest on the bonds of such series when due. The levy for each of the years during which the bonds shall be outstanding shall be separately stated. If the bonds are of serial maturities, the levy shall be at least in such amount that if collected before delinquency the proceeds, together with any other money appropriated to such fund, will be sufficient to meet the payment of principal and interest as the same become due. If the bonds are of a single maturity, the levy for the first three years must be sufficient to pay the interest, and thereafter each annual levy shall be not less than an amount such that levies in the same amount for each ensuing year would be sufficient to amortize and pay the full principal and interest of the bonds on or before maturity date. A certified copy of the tax levy resolution or ordinance shall be filed with the county auditor of the county in which the municipality is located prior to the delivery of the bonds, and the tax shall be carried into the tax roll of the municipality from year to year and collected as other taxes are collected. In the event that, after a certified copy of the levy is delivered to the county auditor, any part of the bonds shall not be issued or a part of the issued bonds shall be cancelled, the governing body may cancel a proportionate amount of the levy, but the amount of taxes remaining uncancelled shall not be less than the amount required to pay principal of and interest on the bonds issued and then remaining outstanding. The governing body shall create a special fund for each series of bonds and shall cause to be placed therein all proceeds of taxes levied on account thereof, together with the proceeds of taxes levied for the payment of bonds or other indebtedness funded or refunded thereby and any other money appropriated thereto. The special fund shall be used for no other purpose than to pay principal of and interest on the bonds of such series or to purchase the same as herein provided. If upon payment of all the bonds of any series any money remains in the special fund, the same may be transferred to the general fund. The foregoing provision shall not be construed as limiting the power of any municipality to levy taxes for the payment of the bonds and it shall be the duty of the proper officers to levy any and all taxes which may be necessary to pay or discharge principal and interest of all general obligation bonds issued hereunder regardless of any statutory or charter tax levy limitation. At the time of making the annual tax levy, the governing body shall determine the amount of taxes which will be collected during the ensuing year from property on which no taxes are then delinquent, and if such amount will not be sufficient to meet principal and interest requirements during said year an additional tax levy shall be made sufficient to make up such deficiency. Provided, that nothing herein shall authorize levies in excess of the limitations contained in Laws 1921, Chapter 417, as amended by Laws 1929, Chapter 206, or contained in Laws 1927, Chapter 110, [§§2061 to 2066], except as excess levies are specifically authorized by such laws; provided, further, that nothing herein shall modify the requirements of any cash basis laws or cash basis charter provisions governing the manner of levying for bonded or floating indebtedness in cities, villages, towns or school districts, more than 60 per cent of the assessed valuation of which consists of mined or unminded iron ore. (Act Apr. 5, 1935, c. 119, §7.)

1938-30. Shall operate under budget.—Any municipality issuing bonds hereunder shall thereafter operate under a budget as provided in Chapter 351, Laws of 1929 and amendments thereto [§§1946-17 to 1946-33], and all provisions of said act and amendments relating to the manner of making a budget, payment of claims, and levying taxes and imposing penalties for violation thereof, shall apply to municipalities issuing bonds hereunder. (Act Apr. 5, 1935, c. 119, §8.)

1938-31. Trustees or savings bank may enter into agreement.—All corporate trustees and savings banks, sinking fund commissions of municipalities, and any other person, board, or body whose investments are regulated or restricted under any law of this state or any home rule charter adopted pursuant to Article IV, Section 36 of the Constitution of Minnesota, which may have any of the funds under its or their control invested in any obligations of any municipality or adopting a plan under this law, may, notwithstanding any provision of law regulating or restricting said investments, enter into such plan and accept funding or refunding bonds issued hereunder in exchange for said obligations. (Act Apr. 5, 1935, c. 119, §9.)

1938-32. State board of investment may purchase bonds.—The State Board of Investment is authorized to purchase bonds issued pursuant to this act in the same manner and subject to the limitations as expressed in Laws 1933, Chapter 389 [§§1968-3 to 1968-7], and any amendments thereof and all the powers granted to the State Board of Investment by Laws 1933, Chapter 389, and any amendments thereof shall apply in connection with the purchase of bonds issued hereunder. (Act Apr. 5, 1935, c. 119, §10.)

Under §1968-3 investment board can only purchase up to 50% of bonds issued by school district under §1938-32. Op. Atty. Gen. (928a-11), July 13, 1937.

1938-33. Bonds shall be binding and valid obligations.—This act shall be deemed and construed as complete in and of itself, and the bonds issued in compliance herewith shall be the valid and binding obligations of the municipality according to their terms, whether or not such municipality shall have complied with any other law or charter provision authorizing or regulating the issuance of bonds by such municipality. This act is intended to be an additional remedial measure and shall not be deemed to have amended or repealed any existing law. (Act Apr. 5, 1935, c. 119, §11.)

1938-34. Provisions severable.—If any section, clause, sentence, or provision of this act or the application of such section, clause, sentence, or provision to any person, party or circumstance shall be held unconstitutional or otherwise invalid, the remainder of this act or the application of such section, clause, sentence, or provision to parties or circumstances other than those as to which it is held invalid shall not be affected thereby. (Act Apr. 5, 1935, c. 119, §12.)

1939. Bonds.

The Village of Kenyon cannot enter into a contract for the purchase of electric generating equipment for a proposed municipal light plant to be paid for out of future earnings, nor can it issue warrants payable in the future out of such earnings. Op. Atty. Gen., Oct. 10, 1931.

Village bonds carrying six per cent interest are proper. Op. Atty. Gen., Nov. 21, 1931.

Default in payment of interest on county bonds does not accelerate due date of principal, unless bond so states. Op. Atty. Gen., Feb. 23, 1933.

Village cannot borrow money on its promissory note, but indebtedness must be evidenced by bonds or certificates of indebtedness. Op. Atty. Gen. (476a-10), Dec. 31, 1935.

Amount of warrants which may be issued by municipality, when there is not money available in treasury for payment thereof, is limited to amount which may be available from taxes levied and in process of collection, and any further obligation must be in form of bonds or certificates of indebtedness. Op. Atty. Gen. (476b-8), June 2, 1938.

An outline of municipal bond procedure in Minnesota. 20 MinnLawRev 583.

1941. Vote required.

Sec. 3 of Act Apr. 8, 1921, c. 209, provides that the Act shall take effect from its passage, and that nothing therein contained shall affect the powers conferred upon school districts by c. 272 of General Laws of Minnesota for 1905 (§1973 herein).

Laws 1921, c. 209, was in effect reenactment of G. S. 1913, §§1854, 1855 and did not repeal by implication G. S. 1913, §§1932, 1933. 157M469, 196NW465.

Since legislature has provided an exclusive remedy for contesting validity of "elections" called and conducted in an illegal manner, a prayer for equitable relief premised solely upon alleged invalidity of school bond "election" was properly denied. Repsold v. I., 285 NW827. See Dun. Dig. 2981.

Bonds may be issued to fund warrants issued prior to Sept. 1, 1927, without a vote of the electors, but not warrants issued after that date [Laws 1927, c. 131, §4, Mason's Minn. Stat., 1927, §1938-6]. Op. Atty. Gen., May 24, 1929.

County board of Lake County could issue funding or refunding bonds to take up outstanding orders of township which had been dissolved without first submitting matter to vote of electors. Op. Atty. Gen., Aug. 9, 1933.

Village of Winnebago could issue its bonds to refund its maturing bonded indebtedness without submitting same to vote of electors. Op. Atty. Gen., Sept. 14, 1933.

Election in village to authorize new well and bonds requires a five-eighths vote. Op. Atty. Gen., Dec. 5, 1933.

A village operating under general laws may issue its bonds to refund maturing bonded indebtedness without a vote of electors. Op. Atty. Gen. (44b-12), Nov. 23, 1934.

Vote of electors is not necessary for issuance of school district refunding bonds. Op. Atty. Gen. (40c-1), Dec. 7, 1934.

Where electors have voted for a bond issue, and village council has adopted a defective resolution, it may adopt a second resolution amending the former resolution, so as to make it conform to statutory requirements. Op. Atty. Gen. (44a), Dec. 31, 1934.

Where existing bonded, judgment and floating indebtedness exceeds 20% of assessed valuation, exclusive of moneys and credits, a school district may issue bonds for funding and refunding purposes either with or without a vote of electors of district, unless ten or more voters and taxpayers petition that matter be submitted to voters, and where indebtedness is less than 20% of assessed valuation, refunding bonds may be issued without a vote of the electors. Op. Atty. Gen. (159a-3), Feb. 5, 1935.

As regards construction of an addition to a school on land to be acquired, a ballot designating the site, authorizing construction of addition, and authorizing bond issue is not correct unless such three questions are placed on ballot so as to permit each separate issue to be voted on. Op. Atty. Gen. (159a-3), Feb. 7, 1935.

A village council has power to construct a village hall without vote of electors, unless bond issue is necessary, or to erect a building as a memorial to war veterans with vote of electors, but has no authority direct to erect a community building with or without vote of electors. Op. Atty. Gen. (476b-8), Feb. 11, 1935.

Village must submit proposition of issuing bonds to pay for an electric light plant to the electors and obtain a five-eighths vote, unless the village plant should sell the bonds to the state, in which case only a majority vote is required. Op. Atty. Gen. (44a-4), July 9, 1935.

Villages operating under Laws 1885, c. 145, and those operating under general statutes are authorized to issue refunding obligations without submitting proposition to a vote of electors to refund matured bond issued in connection with purchase of power plant, and payable out of earnings of such plant. Op. Atty. Gen. (476a-12), July 9, 1935.

Refunding bonds may be issued without vote of electors to take up certificates of indebtedness of a village payable out of earnings of water and light funds. Op. Atty. Gen. (476a-12), July 25, 1935.

If bonds of a village are to be sold to state, only majority of those voting on question is necessary. Op. Atty. Gen. (44b-5), Oct. 1, 1935.

Cities organized under Laws 1895, c. 8, are governed by §126 of that act, and not by this section, with respect to issuance of bonds, and city of Cloquet may issue sewage disposal bonds without vote of electors, if effect of issuance will not raise the city's indebtedness above 5% limitation of taxable property of city. Op. Atty. Gen. (59a-7), Oct. 10, 1935.

City of Little Falls under its charter may issue bonds without vote of electors. Op. Atty. Gen. (624d-1), Oct. 22, 1935.

State board of investment may lend money to city of Chisholm to refund outstanding certificates of indebtedness, and city may issue bonds without vote of electors. Op. Atty. Gen. (59a-51), Feb. 4, 1936.

City of Chisholm has power to refund certificates of indebtdeness without a vote of its electors, and state board of investment has authority to purchase such bonds. Op. Atty. Gen. (59a-51), Feb. 4, 1936.

Power of county to issue funding bonds to take up floating indebtedness represented by warrant overdrawing poor funds as applied to administration of old age assistance act. Op. Atty. Gen. (521/-2), Mar. 26, 1936.

Where a home rule charter provides method of issuing bonds of a city, charter provisions control insofar as inconsistent with state statute. Op. Atty. Gen. (36c-7), June 6, 1936.

City of Pipestone under its charter may issue bonds to carry out agreement with the state highway commissioner for improvement of street without vote of electors, but resolution authorizing bonds must receive four-fifths vote of all members of council. Id.

City of Le Sueur may purchase Diesel engine for light plant costing more than $1,000 and issue without vote of people bonds or certificates of indebtedness payable from net revenues of power and water plants. Op. Atty. Gen. (624a-8), Feb. 18, 1937.

Home rule charter electing to come under Laws 1913, c. 303, may proceed thereunder notwithstanding provisions of charter. Op. Atty. Gen. (36c-9), Feb. 19, 1937.

Laws 1927, c. 131 (§§1938-3 to 1938-12), supersede § 1941 and a majority of votes cast by electors is sufficient to authorize issuance of bonds by an independent school district to finance building of an addition to school house and to install heating, ventilating and plumbing plants. Op. Atty. Gen. (159a-3), June 7, 1937.

If village has funds on hand sufficient for purpose, or will have such funds when taxes already levied have been collected, village warrants or orders may be issued in anticipation of collection of taxes for construction of a village community hall without an election, but if such funds are not available, it is necessary to submit to voters proposition of issuing bonds or certificates of indebtedness. Op. Atty. Gen. (476b-8), Aug. 13, 1937.

Delay of two years in issuing bonds, after authorization does not constitute unreasonable delay which would affect validity. Op. Atty. Gen. (44a), Sept. 20, 1937.

City of Duluth may adopt ordinance declaring sewage disposal plants to be a public utility and issue bonds to pay cost of completing same payable out of rentals or charges for use of such plants, without an election, and sell them to the state. Op. Atty. Gen. (387b-9), Sept. 23, 1937.

Surplus derived from taxes levied for general school purposes may be used for paying part of cost of constructing new school building where bond issue voted is inadequate. Op. Atty. Gen. (159b-2), Nov. 16, 1937.

School board has authority to issue warrants without approval of electors for construction of a new heating plant where an emergency exists. Op. Atty. Gen. (159a-5), Dec. 3, 1937.

Where electors of school district authorize issuance of bonds for purpose of remodeling and building an addition to a school, board may not issue bonds in a lesser amount for use only in constructing a new plant in present building. Id.

City of Little Falls cannot issue bonds for purpose of constructing storm sewers without submitting question to electors. Op. Atty. Gen. (387b-10), Feb. 15, 1938.

In voting on issuance of bonds to establish a municipal water works and sewer system in a village, a five-eighth majority is required unless bonds are to be sold to state, in which case only a majority is required. Op. Atty. Gen. (44b-17), Apr. 6, 1938.

Village contemplating issuance of bonds for widening, grading, surfacing, installation of curbs, gutters, sidewalks, and street lighting need submit only two questions to the voters, first with reference to streets and second with reference to sidewalks, and it is not necessary to state approximate sum to be used for each purpose. Op. Atty. Gen. (396c-6), June 9, 1939.

Section does not apply to cities of the fourth class, such as North Mankato, with reference to issuance of refunding bonds. Op. Atty. Gen. (36l), July 22, 1939.

1942. Bonds—For what purposes.—When the governing body of any municipality shall have resolved that it is expedient to borrow money, for one or more of the purposes hereinafter named, and to an amount which will not increase its net indebtedness beyond the limit fixed by law, and a proposal so to do, if required by law, shall have been duly submitted to and approved by the voters thereof, the bonds of such corporation may be issued and sold, conformably to the provisions of this chapter, to the amount so authorized, as follows:

1. In the case of a city, village or borough, for the acquisition, construction, maintenance, or improvement of any of the public conveniences mentioned in Mason's Minnesota Statutes of 1927, Section 1935, Subdivision 4; for the purposes of a permanent improvement revolving fund; for the purchase or erection of needful public buildings; for establishing and maintaining garbage crematories, or other means of garbage disposal, hospitals, schools, libraries, museums, and art galleries; for the construction of sewers, subways, streets, sidewalks, pavements, culverts, and parks and parkways; and for changing, controlling, or bridging streams and other waterways within the corporate limits, and constructing and repairing bridges and roads within two miles of the corporate limits thereof.

2. In the case of counties, for the erection and furnishing of a court house and jail, or either of them; for the purchase of a poor farm and equipping the same with suitable buildings, tools and stock; for establishing morgues and hospitals; for laying out, opening, building and improving public highways in the nature of county roads; for laying out and opening steam traction roads or other special public highways authorized by law; and for the bridging of waters within the county or bordering thereon.

3. In the case of towns, for the erection and furnishing of a town hall, and for the laying out and opening of town roads, and the building of bridges thereon.

4. In the case of school districts, whether lying within a city or village or not, for the purchase of sites for school houses, and for defraying the expenses incurred or to be incurred in building, rebuilding, remodeling, repairing and furnishing school houses, teacherages and school garages, and installing heating, ventilating and plumbing plants in the same, and equipping schools with libraries, apparatus and other school furniture, and for the purchase of school buses and other equipment essential to the transportation of pupils.

5. In the case of all of the before-mentioned municipal corporations, for paying any judgment lawfully rendered against them, or for refunding outstanding bonds or for funding floating indebtedness; provided, however, that bonds hereafter issued for the purpose of funding floating indebtedness under authority of this act shall be payable in annual installments, as nearly equal in amount as conveniently may be, the first of which installments shall be due in not more than three years from the date of the issue, and the last of which installments shall be due in not more than 15 years from the date of the issue. (As amended Apr. 13, 1939, c. 223.)

Counties having 40 to 50 townships, population of 18,000 to 22,000 and valuation of $4,000,000 to $8,000,000, may issue funding bonds. Laws 1939, c. 18.

Counties having 25 townships and less than 15,000 population and $5,000,000 valuation and outstanding warrants of more than $100,000, may issue bonds. Laws 1939, c. 81.

Counties having 13 to 15 townships and 11,000 to 13,000 population and a valuation of less than $6,000,000, may issue bonds to liquidate warrants. Laws 1939, c. 83.

Laws 1921, c. 209, was in effect reenactment of G. S. 1913, §§1854, 1855 and did not repeal by implication G. S. 1913, §§1932, 1933. 157M469, 196NW465.

Receiver of bank carrying village warrants cannot attach village money which county treasurer collects for taxes. Op. Atty. Gen., Feb. 24, 1933.

Village council has authority to issue bonds for construction of new well and pumping house. Op. Atty. Gen., Aug. 30, 1933.

Cities operating under home rule charter may issue bonds to pay costs of construction of a hospital. Op. Atty. Gen. (59a-7), May 22, 1935.

City of Ely has authority to construct and maintain a community building and issue bonds therefor. Op. Atty. Gen. (59a-7), Aug. 5, 1935.

City of Renville may not issue certificates of indebtedness to pay costs of street improvements in conjunction with a federal works project without a vote of the people. Op. Atty. Gen. (59a-51), Aug. 23, 1935.

Village may construct curbing and gutters for trunk highway and pay for the same with certificates of indebtedness, but if it issues bonds there must be vote of electors, and improvement may be paid out of general fund without assessment against abutting owners. Op. Atty. Gen. (476a-4), Aug. 29, 1935.

City of Ada may issue bonds to pay cost of constructing a hospital pursuant to Laws 1893, c. 204, notwithstanding limitations in home rule charter. Op. Atty. Gen. (36g), Dec. 24, 1936.

City of Eveleth held authorized to issue without vote of electors bonds to refund certificates of indebtedness issued in 1933, 1934 and 1935. Op. Atty. Gen. (36i), Aug. 6, 1937.

A "storm sewer", also being part of general sewer system of a city, may properly be classified as a "sewer" within meaning of this section. Op. Atty. Gen. (387b-10), Feb. 15, 1938.

City charter may provide for payment of hospital bonds in hospital services rather than in money. Op. Atty. Gen. (59b-5), Apr. 21, 1938.

Power of village of Jeffers to issue certificates of indebtedness for purchase of fire apparatus and equipment is derived from Laws 1885, c. 145, and power of erecting a building to house the equipment is derived from §1942, but procedure for issuing certificates of indebtedness and bonds is restricted by general bonding statute, §§1938-3 to 1938-12. Op. Atty. Gen. (688c), June 27, 1938.

Where electors voted to change district from a common district to an independent district, new board elected by common district did not have authority to call an election for purpose of issuing bonds. Op. Atty. Gen. (159a-5), Aug. 6, 1938.

A building to house council room, public library, public rest room, fire fighting equipment, pump station, public drinking fountains, would be a "needful public building", although it contained a hall with a stage where public meetings and entertainment might be had. Op. Atty. Gen. (476B-8), June 26, 1939.

Section does not apply to cities of the fourth class, such as North Mankato, with reference to issuance of refunding bonds. Op. Atty. Gen. (361), July 22, 1939.

No vote of electors is necessary for issuance of refunding bonds to take up bonds of a school district outstanding at time of passage of Laws 1935, c. 119, in view of Laws 1939, c. 223, amending this section. Op. Atty. Gen. (159a-5), July 25, 1939.

Village may not borrow money for purchase of a fire truck. Op. Atty. Gen. (476B-7), Sept. 21, 1939.

An outline of municipal bond procedure in Minnesota. 20 MinnLawRev 583.

(1).

A sewage disposal plant is included within the meaning of "sewers" under this subdivision. Op. Atty. Gen. (387b-2), July 12, 1934.

Village may issue bonds to pay cost of land for park purposes upon approval by electors. Op. Atty. Gen. (44b-10), June 6, 1935.

City may issue certificates of indebtedness to be payable out of earnings of hospital without submitting question of issuance to voters. Op. Atty. Gen. (59a-51), Nov. 6, 1936.

Debt limitations as to issuance of bonds for sewage systems by villages under different circumstances, stated. Op. Atty. Gen. (387g-2), Dec. 30, 1936.

Sewage disposal plant as well as interceptor sewers are included within meaning of "sewers." Id.

Village may purchase a building to be used as a village hall. Op. Atty. Gen. (476b-8), Mar. 4, 1938.

School district which has levied tax may issue warrants and sell them to the general public where PWA director requires that funds be immediately available in cash as a condition precedent to receiving federal money. Op. Atty. Gen. (159a-5), Dec. 3, 1937.

Levy by village operating under cash basis law for bond and interest payment must be included within limitations provided by Laws 1933, c. 72. Op. Atty. Gen. (519q), July 8, 1938.

(3).

A town in which assessed valuation of platted lands exceeds 50% of assessed valuation of all lands may vote to establish waterworks system but may not issue bonds therefor. Op. Atty. Gen., Mar. 13, 1934.

Town board may not issue bonds to improve existing town roads. Op. Atty. Gen. (43b-4), Jan. 30, 1939.

(4).

State board of investment may purchase bonds of common school district to pay cost of constructing "teacherage". Op. Atty. Gen. (159a-5), July 15, 1938.

Independent school district may issue bonds and construct a recreation field as part of a school house site. Op. Atty. Gen. (40c-2), April 3, 1939.

(5).

Vote of electors is not necessary for issuance of school district refunding bonds. Op. Atty. Gen. (40c-1), Dec. 7, 1934.

Where existing bonded, judgment and floating indebtedness exceeds 20% of assessed valuation, exclusive of moneys and credits, a school district may issue bonds for funding and refunding purposes either with or without a vote of electors of district, unless ten or more voters and taxpayers petition that matter be submitted to voters, and where indebtedness is less than 20% of assessed valuation, refunding bonds may be issued without a vote of the electors. Op. Atty. Gen. (159a-3), Feb. 5, 1935.

Refunding bonds may be issued without vote of electors to take up certificates of indebtedness of a village payable out of earnings of water and light funds. Op. Atty. Gen. (476-12), July 25, 1935.

1943. Sale of bonds.

County Board v. B., 193M525, 259NW67; note under §2867.

Village selling bonds to federal government under National Industrial Recovery Act need not advertise for bids. Op. Atty. Gen., Aug. 21, 1933.

Village council may sell bonds to federal government pursuant to National Recovery Act without advertising for bids. Op. Atty. Gen., Jan. 4, 1934.

Town board of town operating under cash basis law must offer certificates of indebtedness for sale on bids after published notice. Op. Atty. Gen., Feb. 14, 1934.

While requirements as to notice set up in this section are not binding in case of sale of certificates of indebtedness under §6041, it would be wise to follow those requirements. Op. Atty. Gen. (770b-3), July 27, 1934.

Where village advertises for bids on sale of certificates of indebtedness and no bids are received on day of opening bids, certificates may be sold to a bid later made, and it is not necessary to readvertise. Op. Atty. Gen. (707a-10), Oct. 12, 1934.

Village organized under general laws need not submit propositions of issuing refunding bonds to a vote of electors but it is necessary to advertise for bids unless statutory provision pursuant to which such bonds are issued authorizes sale of same without bids. Op. Atty. Gen. (44b-12), June 17, 1935.

Certificate of indebtedness should be offered for sale on bids after published notice. Op. Atty. Gen. (476a-4), Jan. 4, 1936.

Bonds issued under §3164-3 may be sold in manner provided by §1944-1. Op. Atty. Gen. (37a-11), May 19, 1938.

Statutory directions as to time and manner of opening bids are intended for protection of public and are mandatory, but after bids have been opened officers are entitled to a reasonable time for comparison and calculation necessary to enable them to ascertain who is lowest or most favorable bidder. Op. Atty. Gen. (707a), June 7, 1939.

An outline of municipal bond procedure in Minnesota. 20 MinnLawRev 583.

1944. Delivery—Proceeds.

Architects' charges for plans and specifications may be paid from the proceeds of a bond issue authorized for "constructing a school building." Op. Atty. Gen., Jan. 14, 1930.

Where school district electors vote bonds to build swimming pool and gymnasium, school board cannot erect gymnasium alone where funds are not sufficient to erect both. Op. Atty. Gen. (161b-13), Oct. 1, 1937.

Proceeds of bond issue may be used to erect schoolhouse on site different than that chosen at time of issuance of the bonds upon vote of electors. Op. Atty. Gen., (159a-5), Oct. 11, 1938.

Where project is discontinued, funds may not be transferred to general fund to take care of outstanding warrants, but may be used for another public improvement authorized by law and approved by vote of electors. Op. Atty. Gen. (476a-15), July 24, 1939.

1944–1. Certain municipalities to sell evidences of public indebtedness by popular subscriptions.—The governing body of any city, village, borough, town, county, or school district, however any of the foregoing are organized, is hereby given the power to sell its respective bonds, certificates of indebtedness, warrants, orders, or other forms of evidence of public indebtedness, whether pledging the general obligation of the respective public organizations, or only a certain fund, or both, or otherwise, which sale is otherwise permitted by law, by popular subscription, individual sales, according to the terms of a resolution passed by a majority vote of said governing body, which resolution shall fix the cash selling price, not less than par, the rate of interest, the denominations thereof, the amount of purchase thereof allowed to any one purchaser, the time and place of the actual sale thereof, with limitation that a sale can be made only to persons actually present at the said sale without previous reservations permitted, and any other condition or mattter relating to said sale. At least one published notice of said public sale shall be given at least ten (10) days prior to said public sale, but a failure to duly publish said notice shall not invalidate the said public sale. Where the respective public organization has an official newspaper the said notice shall be so given therein. (Act Apr. 5, 1935, c. 121, §1.)

Sec. 2 of Act Apr. 5, 1935, cited, provides that the act shall take effect from its passage.

Villages operating under Laws 1885, c. 145, and those operating under general statutes are authorized to issue refunding obligations without submitting proposition to a vote of electors to refund matured bond issued in connection with purchase of power plant, and payable out of earnings of such plant. Op. Atty. Gen. (476a-12), July 9, 1935.

Power of county to issue funding bonds to take up floating indebtedness represented by warrant overdrawing poor funds as applied to administration of old age assistance act. Op. Atty. Gen. (521l-2), Mar. 26, 1936.

Procedure stated for issuance of warrant for old age assistance. Op. Atty. Gen. (521l-2), Apr. 21, 1936.

County may sell warrants or certificates of indebtedness issued against poor fund. Op. Atty. Gen. (107a-13), Aug. 11, 1936.

County may issue warrants bearing interest at 3% to take up outstanding warrants on road and bridge funds bearing 6%. Op. Atty. Gen. (107a-10), Dec. 4, 1936.

County operating under town system may issue evidence of indebtedness such as warrants in cases of emergency to raise funds for poor relief purposes. Op. Atty. Gen. (107b-22), Dec. 7, 1936.

County operating on cash basis pursuant to §1946-26½ may issue warrants or other evidence of indebtedness pursuant to §1938-23, without complying with the former, and may sell such evidence of indebtedness pursuant to §1944-1. Op. Atty. Gen. (107b-22), Dec. 15, 1936.

This section does not add any further rights to power to issue bonds or certificates of indebtedness but merely prescribes different method of sale. Op. Atty. Gen. (159a-4), Feb. 15, 1937.

If warrants issued to take care of old age assistance are ordinary outstanding warrants, county board cannot pay annual interest unless money is available, but if warrants were sold to local banks under §1944-1, interest may be paid in accordance with terms of resolution of county board authorizing same. Op. Atty. Gen. (521b-1), Mar. 23, 1937.

Entire issue of bonds not being sold by popular subscription, balance of issue cannot be sold to bonding

houses, unless another resolution is passed calling for sale of such balance under general statute, relating to calling of bids. Op. Atty. Gen. (159a-5), Dec. 10, 1937.

Bonds issued under §3164-3 may be sold in manner provided by §1944-1. Op. Atty. Gen. (37a-11), May 19, 1938.

1945. Tax levy for payment of bonds.

If town authorities fail to make levy to take up outstanding obligations on township bonds the county auditor must extend such levy so that same may be collected with the general taxes. Op. Atty. Gen., Apr. 8, 1933.

Treasurer of independent school district should set aside from tax moneys received amount necessary to pay amount to become due during year on principal and interest on bonds and taxes collected cannot be used for any other purpose. Op. Atty. Gen., June 8, 1933.

If levy of taxes exceeds 2% of asssesed valuation of property in a village, county auditor must reduce the levy, unless more than 2% is necessary to meet maturing bond obligations and absolutely necessary governmental function. Op. Atty. Gen. (481a-4), Dec. 5, 1935.

On dissolution of village operating under Laws 1885, c. 145, village council can make levy of taxes only for one year in amount limited by the statutes, and any other necessary amounts must be added by county auditor during subsequent year. Op. Atty. Gen. (469a-4), Aug. 20, 1936.

School board cannot invalidate resolution setting terms of tax levy in bond issue by adopting new resolution without consent of all bondholders. Op. Atty. Gen. (161a-2), May 6, 1937.

Levy by village operating under cash basis law for bond and interest payment must be included within limitations provided by Laws 1933, c. 72. Op. Atty. Gen. (519q), July 8, 1938.

1946. Selling bonds by popular subscription.

Certificates of indebtedness are included within term "bond." Op. Atty. Gen., June 8, 1933.

Section 1944-1 merely prescribes different method of selling bonds or certificates of indebtedness and warrants, and does not add any further rights to power to issue bonds. Op. Atty. Gen. (159a-4), Feb. 15, 1937.

Published notice of sale to private citizens is necessary. Op. Atty. Gen. (63b-3), Jan. 20, 1939.

1946-1. Refunding bonds of municipal corporations—Municipal corporation defined.

Act Apr. 22, 1935, c. 232, in its title, purports to amend this section, but the only amendment is of the title of the act, which is made to read as follows: "An act relating to funding and refunding bonds of municipal corporations as defined by General Statutes 1913, section 1847." Section 1847 of G. S. 1913 is §1934, Mason's Minn. St. 1927.

1946-2. Same—Validity need not be inquired into. —No purchaser or owner of bonds already or hereafter issued by a municipal corporation for the purpose of refunding its outstanding bonds or floating indebtedeness under any law of this state, shall be obligated to inquire into the validity of the debts by such bonds refunded, but the determination by resolution of the governing body of any such municipal corporation to issue its bonds for such purpose, shall be conclusive evidence as to such purchaser or owner of the validity of the debts thereby refunded. Provided, that nothing herein shall be construed as authorizing or legalizing the issuing by any municipality of bonds which will increase its net indebtedness beyond the limit fixed by law; and provided further, that, as between any municipality and any owner or holder of any bond, warrant or order of such municipality, nothing herein shall be construed as validating any such invalid bond, warrant or order. ('21, c. 185, §2; Apr. 22, 1935, c. 232, §2.)

State Board of Investment need not inquire into validity of outstanding warrants before making a loan to pay same. Op. Atty. Gen. (928a-11), Aug. 3, 1934.

Better practice requires school in connection with issuance of refunding bonds to adopt resolution provided for in this section. Op. Atty. Gen. (40c-1), June 26, 1939.

1946-3. Refunding bonds authorized in certain cases.—Any village, town or school district in this state, whose existing bonded, judgment and valid floating indebtedness exceeds 15 per cent of the assessed valuation of all taxable property, exclusive of moneys and credits, in the village, town or district, may issue, negotiate and sell its bonds, for the purpose of funding and refunding, such indebtedness or any part thereof, and for the other purposes hereinafter stated, in the manner and under the conditions hereinafter prescribed. ('27, c. 331, §1; Mar. 27, 1931, c. 100, §1; Apr. 11, 1935, c. 148, §1.)

Curative act: Act July 15, 1937, Sp. Sess., c. 66, applicable to refunding bonds issued by certain villages under this act.

"Existing" indebtedness refers to indebtedness at time of bond issue. Op. Atty. Gen., (159a-4), May 20, 1938.

An outline of municipal bond procedure in Minnesota. 20 MinnLawRev 583.

1946-4. Same—Resolution for issue of bonds, etc.

Where existing bonded, judgment and floating indebtedness exceeds 20% of assessed valuation, exclusive of moneys and credits, a school district may issue bonds for funding and refunding purposes either with or without a vote of electors of district, unless ten or more voters and taxpayers petition that matter be submitted to voters, and where indebtedness is less than 20% of assessed valuation, refunding bonds may be issued without a vote of the electors. Op. Atty. Gen. (159a-3), Feb. 5, 1935.

1946-5. Same—Maturity, interest, and sale of bonds.

Bonds cannot be issued under §§1938 to 1938-15 with an on or before privilege of payment as provided in §§1946-5 and 1946-19. Op. Atty. Gen. (44a), Mar. 11, 1937.

1946-6. Bonds may be sold by public subscription. —In lieu of, or in addition to, receiving bids for such bonds, or any thereof, the governing body may cause the same to be offered for and sold by public subscription from time to time; and in any case the holder of outstanding bonds or other indebtedness of the village, town or district may use and apply the same and any interest or other items legally accrued thereon in payment, in whole or in part, for bonds herein authorized purchased by him. Such village, town or school district may fund or refund all or any part of such indebtedness, but no bonds shall be issued hereunder unless such indebtedness to be funded or refunded is due or unless the holders thereof shall have consented to accept payment thereof with interest and other items legally accrued thereon and surrender and satisfy the same, such consent to be by written instrument filed with the recording officer, provided that the maturities of any indebtedness not funded or refunded hereunder shall be considered in determining the maturities of the bonds issued hereunder as prescribed by Section 3 hereof. ('27, c. 331, §4; Mar. 27, 1931, c. 100, §2.)

Village organized under general laws need not submit propositions of issuing refunding bonds to a vote of electors but it is necessary to advertise for bids unless statutory provision pursuant to which such bonds are issued authorizes sale of same without bids. Op. Atty. Gen. (44b-12), June 17, 1935.

1946-7. Same—Tax levy for interest and sinking fund.

Village treasurer has right to pay bonds and interest when due out of funds collected for that purpose, though ordered not to do so by village council. Op. Atty. Gen., July 14, 1933.

Moneys levied for a sinking fund to retire bonds cannot be diverted to other uses until bonds have been retired and paid, though they may be temporarily loaned. Op. Atty. Gen., (37a-12), Nov. 30, 1938.

1946-11. Same—Compromise or settlement with creditors.

Payment of sum by school district to architect for work in connection with building not constructed, held proper as in nature of settlement or compromise. Krohnberg v. P., 187M73, 244NW329. See Dun. Dig. 6746.

Bonds issued for refunding purposes may be purchased by village at discount out of fund loaned by the state for the retirement of bonds. Op. Atty. Gen. (476a-12), June 5, 1935.

1946-13. Villages may issue bonds for certain purposes.—Any village in the State of Minnesota is hereby authorized to issue bonds of such village to fund the outstanding floating indebtedness thereof as represented by its orders or warrants or bonds outstanding and unpaid on February 15, 1929; provided, however, that the aggregate face value of the bonds which shall be issued by any village under the provisions of this act shall not exceed the sum of $10,000, nor shall such bonds together with all other indebtedness of such village bring the total net bonded indebtedness of such village in excess of 5% of the assessed valuation of such village. (Act Apr. 16, 1929, c. 204, §1.)

1946-14. Bonds—Rate of interest—Execution.—Before any bonds are issued under the provisions of this act, the issuance of such bonds shall be authorized by a resolution adopted by the affirmative vote of all the members of the village council. Said bonds shall bear interest at not to exceed five and one-half per cent per annum, payable semi-annually, shall mature as provided by Section 3, Chapter 131, Laws 1927 [Mason's Minn. Stat. 1927, §1938-5], shall be in such form as the governing body shall by resolution determine, shall be signed by the president and countersigned by the clerk or recorder, and shall be sold in the manner prescribed by Section 1943, General Statutes 1923; and prior to the issuance of such bonds the governing body shall levy a tax for the payment thereof in the manner prescribed by Section 5 of Chapter 131, Laws 1927 [§1938-7]. Provided, that no such bonds shall be issued unless the village council issuing such bonds shall pass the resolution authorizing the issuance thereof under this act within 90 days after the passage and approval of this act. (Act Apr. 16, 1929, c. 204, §2.)

1946-15. Limitation.—This act shall not be construed as limiting the power of a municipality to levy taxes to pay its obligations issued hereunder, but the governing body of every municipality shall have the authority and it shall be its duty to levy any taxes necessary to provide revenue to pay such obligations. (Act Apr. 16, 1929, c. 204, §3.)

1946-16. Acts Supplemental.—The provisions of this act shall be supplementary and additional to the powers in that regard now conferred by law on villages. (Act Apr. 16, 1929, c. 204, §4.)

1946-17. Definitions—Who may issue bonds.—The term "municipality" as used in this act shall include any county, town, school district, city, village, or borough, and any unorganized territory in any county governed by the provisions of Chapter 328, Session Laws for 1921 [Mason's Minn. Stat. 1927, §§2850 to 2870-1], and acts amendatory thereof. Any such municipality, whose bonded, judgment and floating indebtedness exceeds twenty-five per cent of the assessed valuation of all taxable property therein, exclusive of moneys and credits, or in which taxes on more than 25 per cent of the lands on the tax lists have been delinquent for three years or more, may issue, negotiate and sell its bonds, at one time or from time to time, for the purpose of funding and/or refunding such indebtedness or any part thereof and/or of paying its outstanding obligations, in the manner and under the conditions hereinafter prescribed. (Laws 1929, c. 351, §1; Apr. 13, 1931, c. 155, §1.)

Sewer warrants issued pursuant to §§1880 to 1893, and acts amendatory thereof, are not a part of outstanding obligations of city within meaning of Laws 1929, c. 351, §1, and Laws 1931, c. 155, §1. Leslie v. C., 186M543, 243 NW786. See Dun. Dig. 6579.

When limit of indebtedness has been reached by county, remedy becomes matter of legislative relief or enactment of such laws as will relieve such conditions. Op. Atty. Gen., Apr. 29, 1932.

1946-18. May vote to issue bonds for certain purposes.—The governing body of any such municipality may by resolution, of their own motion, and shall, on petition of voters thereof to the number of ten per cent, of those who voted therein at the last preceding general or municipal elecion, submit to the voters thereof a proposition to fund and/or refund and/or pay its existing indebtedness and obligations, or any part or class thereof, and may include therein outstanding warrants or orders, and outstanding bonds or certificates or other evidence of indebtedness or liability, whether due or to become due, and the interest thereon, or any thereof. Upon the adoption of such resolution or filing of such petition, there shall be prepared forthwith by the recording officer, by direction of the governing body, and kept on file in his office a complete, itemized list of all warrants, orders, bonds, certificates and other indebtedness and liability so to be funded and/or refunded, specifying the dates, names of payees, and holders, if known, purposes, amounts, maturities, rates of interest, and dates from which interest remains unpaid, of each item thereof, with such other information as the governing body shall prescribe, classifying said items according to the purposes for which tax levies may be made and indebtedness incurred. Such list shall be at all times open to public inspection, and copies thereof shall be furnished on request, certified if desired, on payment of a fee not exceeding five cents per folio. (Act Apr. 25, 1929, c. 351, §2.)

1946-19. Bonds—Maturity—Rate of interest.—Said proposition shall contemplate the issuance of bonds payable serially in annual installments, as specified therein, the first thereof (except in cases of bonds to be sold to the state) to become due and payable in not more than three years from the date thereof, and the last installment thereof to become due and payable not more than fifty years from their date. No annual maturing installment of principal, except such as are payable within five years from the date of issue, and except as hereinafter provided, shall exceed the installment of principal payable in any preceding year; but in the discretion of the governing body, exercised by resolution at any time before the issuance and sale of said bonds, any or all thereof may be made payable on or before their respective maturity dates, with such provisions as to calling and notice thereof as shall be deemed advisable; bids for said bonds may be in the alternative for such bonds with or without the "on or before" privilege, and the most favorable bid or bids may be accepted. None of said bonds shall be sold for less than their full face value and accrued interest, nor bear interest in excess of six per cent per annum, payable annually or semi-annually. (Act Apr. 25, 1929, c. 351, §3.)

Bonds cannot be issued under §§1938 to 1938-15 with an on or before privilege of payment as provided in §§1946-5 and 1946-19. Op. Atty. Gen. (44a), Mar. 11, 1937.

1946-20. Obligations not matured to be taken into consideration.—If there be any outstanding bonds or other evidences of indebtedness or contract obligations, not yet due and not refunded or to be refunded by the proceedings herein authorized, the amounts and maturities of such outstanding bonds and other evidences and obligations shall be taken into consideration in determining the maturities of the bonds issued hereunder, so that, as nearly as may be, after the issuance of the bonds herein authorized, the maturities of the installments of all such indebtedness of the county, town, school district or municipality shall comply with the provisions hereof. Provided, the funding and/or refunding and/or payment of any or all of such indebtedness and/or obligations, not yet due, may be contemplated in the proposition aforesaid, in which event the issuance and sale of at least so much of the bonds as equal such items not yet due shall be deferred until required from time to time to pay same. (Act Apr. 25, 1929, c. 351, §4.)

1946-21. Bond election to be called.—Upon the completion and filing of such list, it shall be approved or revised by the governing body, who shall thereupon cause notice to be given of an election to vote on said proposition, specifying that such election is called pursuant to and for the purposes of this act, and that the list aforesaid, and the approval or revision thereof, are on file, open to public inspection, and otherwise complying in detail with the procedure otherwise required by law for an election to authorize funding bonds of such municipality; provided, if the purpose, amount, maturities and other incidents of such proposed bond issue be of the character of such bonds which may be purchased by the State of Minnesota, the notice, in addition to the details specifically above provided, and the further procedure thereon may comply with the provisions of law applicable to bonds issued to said state; provided, further, the governing body, in their discretion, may submit said proposition

at the next election or meeting thereafter regularly held for the election of officers of such municipality, for which notice thereof may be given in the manner so required by law. (Act Apr 25, 1929, c. 351, §5.)

1946-22. Must receive majority of all votes cast.—If the proposition so submitted to the voters shall receive the affirmative votes of a majority of the qualified electors voting on the same, the bonds may be advertised for sale and issued and sold in accordance with the provisions of Section 1943, General Statutes 1923, and acts amendatory thereof. In lieu of, or in addition to, receiving bids for such bonds, or any thereof, if the proposition submitted to the voters shall have specifically so authorized, the governing body may cause same to be offered for and sold by public subscription from time to time, and may permit the holder of outstanding bonds or other indebtedness herein contemplated to use and apply same and any interest or other items legally accrued thereon in payment, in whole or in part, for bonds herein authorized, purchased by him. (Act Apr. 25, 1929, c. 351, §6.)

1946-22½. May issue bonds without vote in certain cases.—In lieu of submitting such proposition to the voters, said governing body at any regular or duly called special meeting thereof, after the proceedings, other than the elections hereinbefore contemplated, may adopt, by majority vote, a resolution reciting the proceedings theretofore taken, stating the authority of law under which the right is claimed to issue such bonds, the purpose for which it is proposed to issue the same, the number and the face value of each thereof, and the time when each bond to be issued thereunder shall mature, and any further details with respect thereto in this act authorized to be contemplated by such proposition, and directing that such bonds be issued, negotiated and sold, as in this act and said resolution provided. Such last mentioned resolution may be published not less than one nor more than three weeks successively in a legal newspaper published in such municipality, or in the county seat of the county, if there be no such newspaper in said municipality, and proof of the publication thereof filed in the office of the recording officer. But if, within ten days after the first publication of said last mentioned resolution, or prior thereto, there be filed with such recording officer a petition of ten per cent of the voters of such municipality, determined as hereinbefore provided, praying that such proposition and the details thereof be submitted to the voters of said municipality, the same shall thereupon be so submitted to the legal voters of such municipality, and favorably voted upon by them, before it shall be authorized to take effect. (Laws 1929, c. 351, §6½; Apr. 13, 1931, c. 155, §2.)

1946-23. Tax Levy.—Before the issuance of any of the bonds herein authorized, except in cases of bonds sold to the state, the governing body shall levy for each year, until the principal and interest are paid in full, a direct annual tax in an amount not less than five per cent, in excess of the sum required to pay the principal and interest thereof and of the other outstanding indebtedness and obligations mentioned in Section 4 hereof, when and as such principal and interest mature. Thereupon and thereafter the other provisions of Sections 5, 6, 7, 8, 9 and 10 of Chapter 131, Laws of 1927 [§§1938-7 to 1938-12], shall apply. (Act Apr. 25, 1929, c. 351, §7.)

1946-24. Outstanding warrants, etc., legalized.—Any and all outstanding warrants, orders and other indebtedness and obligations of any such municipality which shall be funded or refunded in the manner authorized by this act, and which have been issued or incurred for purposes for which public moneys thereof might lawfully be expended, are hereby declared to have been valid and enforceable obligations thereof; and the favorable action of the voters at the election on the funding or refunding proposition shall finally and conclusively bind the municipality to the validity of the items in the list provided for in Section 2 [§1946-18], approved or revised as provided in Section 5 [§1946-21]; provided, if at the time of the election an action is pending involving or affecting the validity of any or all of such indebtedness, the item or items in controversy shall not be paid unless and until the validity thereof is upheld. In any case, no bonds sold by authority of this act more than thirty days after such election shall be questioned by reason of the invalidity of any indebtedness included in the list aforesaid, nor of any informality, irregularity or defect in the proceedings. (Act Apr. 25, 1929, c. 351, §8.)

1946-25. Levy to be fixed by voters.—The proposition submitted to the voters as aforesaid may contemplate and specify that the amount which may be included by any such municipality in its annual tax levy in the year in which the bonds herein authorized shall be issued, and in each year thereafter, shall not in the aggregate exceed the amount otherwise authorized by law, less all or such part, as is in said proposition specified, of the amount hereinbefore required to be levied for the same year to pay principal and interest on bonds herein authorized, and/or that the amount levied for any of the classes of purposes for which the funded or refunded indebtedness was incurred shall not exceed the amount otherwise authorized by law for that class of purposes, less all, or such part, as is so specified, of that proportion of the amount levied for the same year to pay such principal and interest which is chargeable, pro rata, to funded or refunded indebtedness incurred for that class of purposes; provided, the amount of principal of such bonds payable in each of the first five years after the issuance thereof which is in excess of the average amount of principal payable in each of the years thereafter shall not be deducted from the amount of such authorized tax levies for current purposes, unless the proposition approved by the voters shall expressly so require. (Act Apr. 25, 1929, c. 351, §9.)

1946-26. Governing body to make budget.—The governing body of each municipality issuing bonds under this act shall annually at its first meeting in each fiscal year determine the amount of funds which will be available during the current year for all and each of its public purposes, from the proceeds of the tax levy lawfully made therefor in the preceding year and from state aid and from other sources known or reasonably anticipated to be due and payable into its treasury during such year, and shall thereupon, at such meeting, make and spread on its minutes a definite budget of the expenditures made and to be made and indebtedness incurred and to be incurred by it for all and each of such purposes during such year, which expenditures and indebtedness shall in no case exceed the aggregate amount of revenues so determined to be available for all and each of such purposes for such year. Such budget shall first allot, and there shall be first set aside and payable, out of the receipts for such year, the amount required to meet principal and interest due in that year on the bonds herein authorized and on any outstanding bonds and items not funded or refunded, contemplated by Section 4 [§1946-20] hereof. There shall then be allotted, respectively, such amounts as shall be required and appropriable to pay outstanding warrants or orders and for each of the necessary current purposes, and such amount as shall be deemed necessary for an emergency fund, and what remains may be allotted to be expended on new undertakings of construction, improvement, extension or otherwise to which it is lawfully appropriable. As nearly as may be, a specific program of expenditures shall be determined upon and the amount to be expended on each item determined and allotted; and no change in such program shall be made, nor additional expenditures made nor in-

debtedness incurred, which shall cause to be diverted to other purposes any part of the amount herein required to be allotted for payment of principal and interest, and for payment of outstanding warrants or orders and for necessary current purposes and for the emergency fund, nor which shall cause the expenditures made or indebtedness incurred in any year to exceed the total revenues determined, as aforesaid, to be available for such year. The emergency fund may be used to pay extraordinary items of lawful expenditures occasioned by emergency which could not be anticipated when the budget was made. (Act Apr. 25, 1929, c. 351, §10.)

The provisions for a budget are mandatory. Op. Atty. Gen., Dec. 24, 1931.

Anticipatory warrants may be issued up to the amount allotted in the revenue fund during the year to take up the warrant. Op. Atty. Gen. (107a-13), Apr. 17, 1934.

1946-26½. May apply to court for authority to issue bonds.—If in any year it shall become actually necessary to incur indebtedness or expend funds for the purpose of meeting court expenses, mothers' pension allowances, poor relief and other items, the amounts of which are beyond the control of the governing body of such municipality and could not be reasonably and definitely anticipated and fixed at the time of making the budget contemplated by Section 10 [§1946-26], the governing body of such municipality may apply to the proper district court for an order permitting the incurring and payment of such additional expenditures. Such application shall be publicly heard by said court at the county seat of the county, after two weeks published notice thereof; and, if the court shall find such additional indebtedness or expenditures to be actually necessary and within the terms of this section, and that the amount thereof could not have been reasonably and definitely anticipated at the time of making the budget, and could not be reasonably met by or out of allotments in the budget to such purposes, or by or out of the emergency fund, said court may make an order permitting and authorizing such additional indebtedness or expenditures, or so much thereof as it shall find to be proper.

Provided, however, that any such municipality by resolution of its governing body, and without submitting the proposition to the electors thereof, may issue and sell its tax anticipation notes which may pledge the general obligation of the respective municipality, or only a certain fund, or both, or otherwise, in anticipation of and in an amount not exceeding sixty per cent of the uncollected taxes levied for the current year at any time during said year when the governing body shall determine it shall be actually necessary, up to the amount of the budget for said *current year, without application to the District Court.* Such tax anticipation notes shall mature not later than December 31st of the year next succeeding that in which the taxes so anticipated were levied, and shall be in such form and denomination, and shall be executed in such manner, as the governing body shall determine, provided the same must be sold for cash only in the manner prescribed by Mason's Minnesota Statutes of 1927, Section 1943. (Laws 1929, c. 351, §10½; Apr. 13, 1931, c. 155, §3; Mar. 2, 1937, c. 56, §1.)

This section is a valid and constitutional limitation on the powers of county boards. Op. Atty. Gen., Dec. 24, 1931.

When limit of indebtedness has been reached by county, remedy becomes matter of legislative relief or enactment of such laws as will relieve such conditions. Op. Atty. Gen., Apr. 29, 1932.

A county may levy tax or issue bonds for poor purposes though operating under the town system of poor relief, but cannot issue registered warrant unless there are moneys in treasury sufficient to pay the same or a tax is in actual process of collection pursuant to a tax levy for that purpose. Op. Atty. Gen. (107a-10), Dec. 9, 1935.

County operating on cash basis pursuant to §1946-26½ may issue warrants or other evidence of indebtedness pursuant to §1938-23, without complying with the former and may sell such evidence of indebtedness pursuant to §1944-1. Op. Atty. Gen. (107b-22), Dec. 15, 1936.

1946-26½a. Same—Application of act.—This Act shall not apply to any municipality governed by any special law. (Mar. 2, 1937, c. 56, §2.)

1946-27. Recording officer to keep records.—The recording officer shall keep a record showing accurately the amount allotted to each item of the budget for each year and the amounts incurred and expended from time to time on account of each of such items, which record shall be presented and examined at each meeting of the governing body and show the true condition of affairs at the date of such meeting. No indebtedness shall be incurred for any purpose except pursuant to action of the governing body while in meeting assembled, specifying, as nearly as may be the purposes and the amount thereof. (Act Apr. 25, 1929, c. 351, §11.)

1946-28. Claims must be filed.—All claims against any such municipality must be filed with the recording officer within thirty days after the accrual thereof; if not so filed, no liability shall exist therefor unless and until funds shall be appropriable therefor without disturbing the preferred funds specified in Section 10 [§1946-26] hereof and without increasing expenditures or indebtedness beyond the limits therein prescribed. It shall be the duty of the recording officer after any such claims [sic] has been filed with him to present same to the governing body at its next meeting, and at such meeting such claim shall be acted upon; provided, in case of counties, all expenditures for constructing, improving, maintaining or repairing any public road or bridge by day labor may be paid for by the time check method as provided by Section 30, of Chapter 323, Laws 1921 [§2570, Mason's Minn. Stat., 1927], and acts amendatory thereof; but no such time check shall be honored by the auditor, nor shall any claim thereon be valid against the county, unless the duplicate thereof be duly filed in the office of the county auditor within thirty days after the date of the issuance thereof, or unless and until funds shall be appropriable therefor as provided in the first sentence of this section. (Act Apr. 25, 1929, c. 351, §12.)

1946-29. Violation a misdemeanor.—Any member of the governing body or other officer or employee of such municipality knowingly authorizing or participating in any violation of this act shall be guilty of a misdemeanor, punishable by a fine not exceeding one hundred dollars or imprisonment in the county jail not exceeding three months for each offense. Every contract entered into or indebtedness or pecuniary liability attempted to be incurred in violation of the provisions of this act shall be null and void in respect to any obligation sought thereby to be imposed upon the municipality; and no claim therefor shall be allowed by the governing body, nor shall any officer issue or pay any warrant, order or other evidence of debt on account thereof. Each member of the governing body or other officers or employee so knowingly participating in or authorizing any violation of this act shall be individually liable to the corporation or to any other person for any damages caused thereby; and for the purpose of enforcing such liability without impairing any other remedy, one-fourth of the salary of each such officer and employee shall be withheld from him and applied towards reimbursing the corporation or any other such person for such damages, until all claims by reason thereof have been paid. Each member of the governing body present at a meeting thereof when any action is taken with reference to paying money or incurring indebtedness or entering into any contract shall be deemed to have participated in and authorized the same unless he shall cause his dissent therefrom to be entered on the minutes of the meeting. (Act Apr. 25, 1929, c. 351, §13.)

1946-30. Provisions may be modified by voters.—Except so far as the rights of creditors shall be substantially impaired thereby, the voters of any such municipality may at any regular or special election,

upon due submission of the question to them, modify the application of any provision of this act to the extent that its application in the first instance was discretionary with them; and with like exception as to impairing substantial vested rights, nothing herein shall preclude amendment or repeal of this act, or any part of it. (Act Apr. 25, 1929, c. 351, §14.)

1946-31. Provisions severable.—If any section, part or provision hereof be found unconstitutional, such determination shall not affect the validity of the remaining provisions not clearly dependent thereon. (Act Apr. 25, 1929, c. 351, §15.)

1946-32. Application.—This act shall not be construed to repeal or modify any other act or part of act having similar import or purpose to any part hereof but shall be deemed to provide an additional cumulative and optional remedy for the financial situation of municipalities within the class defined in section 1 [§1946-17]. No limitations of net indebtedness prescribed in any other act, except as herein expressly provided, shall affect the validity of any bonds issued by authority hereof. (Act Apr. 25, 1929, c. 351, §16.)

1946-33. Exceptions.—This act shall not apply to any county whose assessed valuation, exclusive of moneys and credits, is in excess of $100,000,000, nor to any other municipality whose per capita assessed valuation, exclusive of moneys and credits, is in excess of $500. (Act Apr. 25, 1929, c. 351, §17.)

1946-34. Independent school districts may issue bonds to fund floating indebtedness.—Any independent school district with territorial limits which coincide with the territorial limits of any city of the first class in the State of Minnesota, and the government of which independent school district is not provided for in the charter of said city, may issue its bonds to an amount not exceeding one (1) per cent of the assessed value, as last determined, of all the taxable property within such district including moneys and credits, to fund its floating indebtedness or a portion thereof in the manner hereinafter provided, without submitting the question of such issue to the electors of such district and without regard to the amount of any or all other outstanding debts of such district and notwithstanding any existing limitations. (Act Mar. 3, 1933, c. 54, §1.)

1946-35. Funding bonds to retire outstanding obligations in certain school districts.—Such funding bonds shall be the direct and general obligations of the independent school district issuing same and shall be authorized by resolution duly adopted by the governing body of such district, which resolution shall set out the amount of the floating indebtedness to be funded and provide for the details of the bonds to be issued. Such bonds shall bear interest at not to exceed six per cent per annum payable semi-annually and shall mature in not to exceed twenty (20) years from the date thereof but otherwise said bonds shall mature in such amounts and at such times and shall be subject to such conditions as to redemption or payment before maturity as may be authorized by resolution duly adopted by the said governing body. (Act Mar. 3, 1933, c. 54, §2; Apr. 21, 1933, c. 383.)

1946-36. Sale of bonds to be advertised.—Such bonds shall be sold in such amounts and at such times as may be determined by the governing body of any such district and pursuant to at least two weeks' notice asking for bids published in a newspaper designated by said governing body. Said bonds shall not be sold for less than their par value. The proceeds from all bonds so sold shall be applied by said school district to the payment of its outstanding floating indebtedness set out in the resolution authorizing the funding bonds, but no purchaser or owner of any such bonds shall be under any obligation whatever with respect to the application of the proceeds when received by said school district. (Act Mar. 3, 1933, c. 54, §3.)

1946-37. Tax levy to retire bonds.—The governing body of any independent school district issuing bonds under the provisions of this Act shall before the issuance thereof, levy for each year, until the principal and interest are paid in full a direct annual tax in an amount not less than five per cent (5%) in excess of the sum required to pay the principal and interest thereof when and as same mature notwithstanding any existing limitation. After such bonds have been delivered to the purchaser thereof, such tax shall be irrepealable until such bonds have been paid and no further action of the governing body shall be necessary to authorize the extensions, assessments, and collection of such tax. The recording officer of such independent school district shall forthwith furnish a certified copy of such levy to the county auditor or county auditors of the county or counties in which such district is situated, together with full information regarding the bonds for which the tax is levied and such county auditor or county auditors shall enter the same in the register provided for such cases and shall extend and assess the tax so levied. (Act Mar. 3, 1933, c. 54, §4.)

1946-38. Statute remedial.—The fact that due to delinquencies in tax collections such independent school districts have outstanding floating indebtedness which should be funded so as to protect the credit of such districts necessitates the passage of this Act which is hereby declared to be remedial in character. No funding bonds shall be issued under authority of this Act unless a resolution authorizing such issuance as hereinbefore provided shall be adopted by the governing body of such independent school district within ninety (90) days after this Act is in force. The term, "floating indebtedness," as used in this Act shall include all the outstanding obligations of said independent school districts with accrued interest existing at the time this Act becomes effective, exclusive of bonded indebtedness and interest thereon.

In order to facilitate the issuance of the funding bonds hereinbefore authorized, the floating indebtedness of any such independent school district outstanding at the time this Act becomes effective is hereby validated. (Act Mar. 3, 1933, c. 54, §5.)

1946-39. Effective on passage.—The provisions of this Act shall be paramount and controlling, notwithstanding any other Act or part thereof which may be inconsistent herewith, and this Act shall take effect and be in force from and after its passage. (Act Mar. 3, 1933, c. 54, §6.)

1946-40. Bond issue authorized.—Any county in this State, having an assessed valuation, exclusive of moneys and credits, of less than $5,000,000.00, and in which the real and personal property taxes levied in 1931, payable in 1932, were delinquent as of January 1, 1933, in excess of 40% of the amount so levied, is hereby authorized to issue, negotiate, sell or exchange its bonds, at one time or from time to time, for the purpose of funding and refunding the indebtedness of such county heretofore issued and outstanding, or any part thereof, in the manner and under the conditions hereinafter prescribed. (Act. Mar. 31, 1933, c. 137, §1.)

1946-41. County Board to adopt resolution.—Before any such bonds shall be issued, the county board shall at any regular or duly called special meeting thereof adopt by a four-fifths vote a resolution setting forth the necessity of the issuance of such bonds, the portion of the outstanding indebtedness to be funded or refunded at that time, the authority of law under which the right is claimed to issue such bonds, the amount of bonds proposed to be issued under such resolution and direct the auditor to prepare a list of the items of indebtedness to be funded or refunded pursuant to such resolution, which list shall be filed by the auditor in his office and may be referred to in the resolution so adopted. Such list shall at all times be open to public inspection and copies thereof shall

be furnished on request, certified if desired, on payment of a fee not exceeding five cents per folio. Said resolution shall be published once in each week for two successive weeks in the official newspaper of said county and the county board shall upon petition of ten per cent of the number of voters voting for Governor at the last general election submit to the voters of the county at a regular or special election the proposition of issuing such bonds, and, in such case, the affirmative vote of a majority of those voting on the proposition shall be sufficient to authorize the same; provided, that unless said petition is filed within twenty days after the first publication of said resolution, such petition shall be void and of no effect. In any case, no bonds sold by authority of this act more than thirty days after the first publication of such authorizing resolution, shall be questioned by reason of the invalidity of the indebtedness so to be funded or refunded thereby nor of any informality, irregularity or defect in the proceedings. From time to time the county board may in similar manner provide for the funding or refunding of all or part of the remaining portion of such outstanding indebtedness. (Act Mar. 31, 1933, c. 137, §2.)

1946-42. Funding and refunding bonds.—Said proposition shall contemplate the issuance of bonds payable serially in annual installments, the first thereof to become due and payable in not more than five years from their date and the last installment thereof to become due and payable in not more than twenty-five years from their date, no annual maturing installment of principal, except as hereinafter provided, shall be more than two times the smallest maturing installment of principal; provided, however, that in fixing the installments of bonds issued at any one time hereunder, the maturities of bonds previously issued hereunder may be taken into consideration as to the amount of bonds maturing in any one year. Bonds issued hereunder to take up outstanding warrants shall be called "Funding Bonds" and bonds issued to take up outstanding bonds shall be called "Refunding Bonds". Such bonds may be sold, and in the word "sold" as used herein is included the exchange of such bonds for the indebtedness or any part thereof to be funded or refunded, at such time to times and in such manner as the county board shall determine, but such bonds shall not be sold for less than their par value and accrued interest and shall not bear interest in excess of six per cent per annum, payable semi-annually. Such bonds shall be in denominations of $100, $500 and $1,000 and in case of the exchange of outstanding warrants for any such bonds, the county board is authorized to direct the issuance of a warrant for the difference between the amount of warrants so exchanged and the face value of the bonds exchanged therefor. (Act Mar. 31, 1933, c. 137, §3.)

1946-43. County Auditor to prepare statement.—The county auditor of any county issuing bonds under this act shall annually prepare and submit to the county board at its regular meeting in July a statement showing the amount of taxes levied which were payable in the preceding year, the amount of such taxes which has been paid at the time such report was made, an estimate of the amount which should be levied for each of the several county funds to maintain them on a cash basis and the amount which will be required for the payment of principal and interest of any bonds hereunder during the ensuing year. Thereupon the county board shall at such annual meeting make up a budget of the amounts needed to maintain the several funds on a cash basis and, taking into account the anticipated delinquency in tax collections, shall levy an amount sufficient to provide for the payment of the bonds authorized hereunder and interest thereon and to maintain the several funds of the county on a cash basis. Provided, further, that if any warrants remain outstanding and unpaid on any of the funds of the county, the board shall levy an annual tax of 3 mills to retire the same. (Act Mar. 31, 1933, c. 137, §4.)

1946-44. Tax levy to be used for bonds only—All moneys received from taxes levied for the payment of principal and interest of bonds shall be applied solely to the purpose for which such taxes were levied; all moneys received from taxes levied for the payment of outstanding warrants shall be applied solely to the payment of such warrants; all moneys received from taxes levied for road and bridge purposes shall be kept intact and applied first to any deficiency which may arise in the funds for the payment of bonds issued hereunder and the interest thereon, second to any deficiency which may arise in the revenue or other funds of the county. If at the end of any year there remains a balance in the road and bridge fund from the collection of taxes levied for that purpose in excess of $10,000.00, the county board may use such excess for the construction and maintenance of roads and bridges in the county; provided, however, that nothing herein shall be construed as affecting the expenditure of moneys received by the county from the State as its portion of any general state levy for roads or its share of any gasoline tax. (Act Mar. 31, 1933, c. 137, §5.)

1946-45. Expenditures limited.—No expenditures shall be made or indebtedness incurred in excess of the budget adopted and no warrants shall be issued in excess of the cash on hand in the fund against which such warrant is issued; provided, however, that if the moneys received from the collection of taxes are insufficient to meet the ordinary expenses of the county as provided for in the budget for the revenue fund, the county board may authorize the issuance of warrants to be payable solely from the proceeds of taxes previously levied and uncollected; but in no event shall such expenditures exceed the amount set forth in the budget adopted by the county board at its annual July meeting. Such warrants shall be known as Delinquent Tax Warrants and all moneys derived from the collection of Delinquent Tax Warrants shall be placed in a separate fund and used solely for the payments of such warrants until all such warrants are paid. (Act Mar. 31, 1933, c. 137, §6.)

1946-46. Filing of claims.—All claims against any such county must be filed with the Auditor within sixty days after the accrual thereof; if not so filed, no such claim shall be paid unless and until there exists in the fund against which such claim is made a sufficient cash surplus to pay the same. It shall be the duty of the auditor after any such claims have been filed with him to present same to the county board at its next meeting and at such meeting such claim shall be acted upon; provided, all expenditures for constructing, improving, maintaining or repairing any public road or bridge by day labor may be paid by the time check method as provided by Section 30, of Chapter 323, Laws 1921, and acts amendatory thereof; but no such time check shall be honored by the auditor, nor shall any claim thereon be valid against the county, unless the duplicate thereof be duly filed in the office of the county auditor within thirty days after the date of the issuance thereof, nor unless and until funds be appropriable therefor as hereinbefore provided. (Act Mar. 31, 1933, c. 137, §7.)

1946-47. Violations a misdemeanor.—Any member of the county board or other officer or employee of the county knowingly authorizing or participating in any violation of this act shall be guilty of a misdemeanor, punishable by a fine not exceeding $100 or imprisonment in the county jail not exceeding three months for each offense. Every contract entered into or indebtedness or pecuniary liability attempted to be incurred in violation of the provisions of this act

shall be null and void in respect to any obligation sought thereby to be imposed upon the county and no claim therefor shall be allowed by the county board, nor shall any officer issue or pay any warrant, order or other evidence of debt on account thereof. Each member of the governing body or other officer or employee so knowingly participating in or authorizing any violation of this act shall be individually liable for any damages caused thereby; and for the purpose of enforcing such liability, without impairing any other remedy, one-fourth of the salary of each such member of the governing body or officer or employee shall be withheld from him and applied toward the payment of such damages until all claims by reason thereof have been paid. (Act Mar. 31, 1933, c. 137, §8.)

1946-48. Provisions separable.—If any section, part or provision hereof be found unconstitutional, such determination shall not affect the validity of the remaining provisions not clearly dependent thereon. (Act Mar. 31, 1933, c. 137, §9.)

1946-49. Limitations of act.—This act shall not be construed to repeal or modify any other act or part of act having similar import or purpose to any part hereof but shall be deemed to provide an additional cumulative and optional remedy for the financial situation of any such county. No limitations of net indebtedness prescribed in any other act, except as herein expressly provided, shall affect the validity of any bonds issued by authority hereof, and the bonds issued by the authority of this act shall not be included in determining the net indebtedness of any such county. (Act Mar. 31, 1933, c. 137, §10.)

1946-50. Refunding bonds for unorganized territory.—Bonds issued by any county, city, village, borough, township, school district, or county board of education for unorganized territory, for the purpose of refunding outstanding bonds shall be chargeable against all the territory that was chargeable with the payment of the bonds thereby refunded. Any such municipality issuing refunding bonds is hereby empowered to levy taxes for the payment thereof against all the territory that was chargeable with the payment of the refunded bonds, and the county auditor shall extend such levy against the taxable property in all such territory. Provided, however, that where any town or school district has heretofore issued or shall hereafter issue bonds and such town or school district has been or shall be duly divided into two or more towns or school districts while such bonds are outstanding, the indebtedness represented by such bonds may, by written agreements between such towns or school districts and the holders of unmatured bonds, be apportioned between such towns or school districts and thereupon each of such towns or school districts may issue refunding bonds to take up, pay, and retire the outstanding bonds apportioned to and assumed by it, and such refunding bonds shall be obligations of and payable only from taxes levied upon the property in the respective towns or school districts issuing such refunding bonds. Such town's refunding bonds may be exchanged for such outstanding bonds without advertised sale thereof, but such refunding bonds shall not bear interest at a rate higher than the rate on the bonds refunded, and upon such exchange the refunding bonds shall be valued at not less than par and the bonds refunded shall be valued at not more than par. Except as herein otherwise specifically provided, the proceedings for the issuance of such refunding bonds and the form and terms thereof, shall comply with the provisions of Mason's Minnesota Statutes of 1927, Chapter 10, as amended [1934 to 1973-½e]. (Act Apr. 17, 1933, c. 306, §1; Apr. 11, 1935, c. 152, §2; Apr. 8, 1939, c. 163.)

Title amended.—The title of Laws 1933, Chapter 306, is amended by Act Apr. 11, 1935, c. 152, §1, to read as follows: "An act providing that refunding bonds shall be chargeable against all the territory that was chargeable with the bonds refunded, with certain exceptions, and providing for tax levy thereon."

1946-51. Certificates of indebtedness may be issued in certain cases renewal.—In all villages, cities, towns and school districts in this state now or hereafter operating on a cash basis system, under and pursuant to the authority of statutes affecting such villages, cities, towns and school districts, which statutes prohibit the issuance of checks or warrants until there is money in the treasury available to pay the same, and which provide for the issuance of certificates of indebtedness against taxes to be collected, the governing body of such village, city, town and school district, if unable to sell such certificates of indebtedness in the manner prescribed by such laws, may issue such certificates of indebtedness to the village, city, town and school district treasurer, or his order, and deposit the same with him. Certificates so issued shall be held by the treasurer until they may be sold, and shall bear interest at six per cent per annum. The village, city, town and school district may thereupon, as long as such certificates are on deposit, with the treasurer, issue warrants upon the funds against which such certificates were issued, the total principal amount of such warrants not to exceed the total principal amount of the certificates so held by the treasurer. Such warrants shall bear interest at six per cent per annum from and after the date they are presented to the treasurer and stamped "Not paid for want of funds, but protected by certificates of indebtedness now held by me." Any such village, municipality, city, town, or school district may issue its certificates of indebtedness against any or all funds up to an amount equal to, but not exceeding, 95% of its tax levy for such fund for such year notwithstanding any provisions of cash basis laws or cash basis charter provisions fixing a different percentage; provided, no such municipality shall during any year anticipate by issuance of certificates of indebtedness more than 50% of its tax levy for any of its funds during the period prior to July 1 of any calendar year, and not more than the remaining 45% of the tax levy for any of its funds during the period subsequent to July 1 and prior to December 31 of any calendar year; provided further that any such municipality may renew any outstanding certificates of indebtedness of any prior year or any prior six months period, or issue new certificates notwithstanding the fact that prior certificates are unpaid, whenever the inability to pay such outstanding certificates is due to failure to collect sufficient moneys from the tax levy for said year to discharge such certificates; in the event such certificates are renewed such municipality may pay accrued interest thereon at the time of renewal. (Act Apr. 15, 1933, c. 272, §1; Dec. 31, 1933, Ex. Sess. c. 36, §2; Feb. 9, 1935, c. 10, §2.)

Title amended.—Act Feb. 9, 1935, c. 10, §1, amends the title of Laws 1933, Chapter 272, as amended by Special Laws 1933-34, Chapter 36, to read as follows: An act to empower villages, cities, towns and school districts operating on a cash basis system, under the laws of this state, under which system certificates of indebtedness are issued, and under which system checks or warrants cannot be issued until there is money in the treasury available to pay the same, to issue warrants against certificates of indebtedness held by the treasurer, of such municipalities when such certificates of indebtedness can not be sold in the manner prescribed by law, and changing the limitations relating to the issuance of such certificates and authorizing the renewal thereof in certain cases.

Village has no authority to issue warrants authorized under §1946-51 beyond the 60% provision of §2066-4. Op. Atty. Gen. (519i), Aug. 11, 1934.

Warrants issued pursuant to §1946-51 are not included as part of net debt of a municipality within §1938-3. Op. Atty. Gen. (476a-4), Apr. 5, 1938.

1946-52. Sale of certificates—disposition of proceeds.—Such certificates of indebtedness may be sold by the village, city, town and school district and the proceeds of such sale shall be used to take up such warrants in the order presented for payment. Such certificates of indebtedness shall be paid at the same time and in the same manner as if they had been issued to a purchaser thereof. (Act Apr. 15, 1933, c. 272, §2; Dec. 31, 1933, Ex. Ses., c. 36, §3; Feb. 9, 1935, c. 10, §3.)

Town board of town operating under cash basis law must offer certificates of indebtedness for sale on bids after published notice. Op. Atty. Gen., Feb. 14, 1934.

1946-53. Warrants in excess of certificates void.—All warrants attempted to be issued hereunder and all obligations for indebtedness attempted to be incurred hereunder, in excess of the principal amount of the certificates of indebtedness so held by such treasurer, shall be void. Neither the governing body of such village, city, town and school district, nor any officer, board or employee thereof shall have the power, and no power shall exist to create any indebtedness or obligation of such village, city, town and school district contrary to the terms of the law regulating the issuance of certificates of indebtedness and the incurring of obligations in such village, city, town and school district, as amended hereby and by Section 2 of this Act. (Act Apr. 15, 1933, c. 272, §3; Dec. 31, 1933, Ex. Ses., c. 36, §4; Feb. 9, 1935, c. 10, §4.)

1946-54. Definitions.—The term "municipality" as used herein, which includes any village, city, town or school district operating upon a cash basis system under which certificates of indebtedness are issued, and under which system checks and warrants cannot be issued until there is money in the treasury. (Act Feb. 9, 1935, c. 10, §5.)

1946-55. Inconsistent acts repealed.—All Acts or parts of Acts inconsistent herewith are hereby repealed. (Act Feb. 9, 1935, c. 10, §6.)

1946-56. Act to be supplementary.—This Act shall not be construed as limiting the power of any home rule chartered city, but shall be construed as being supplementary and in addition thereto. (Act Feb. 9, 1935, c. 10, §7.)

1946-57. Villages may issue bonds.—Any village in the State of Minnesota whose existing bonded judgment and floating indebtedness is less than 20 per cent of the assessed value of its taxable property, exclusive of money and credits, is hereby authorized to issue the bonds of such village to refund or fund any such indebtedness, in the manner hereinafter provided. (Act Mar. 25, 1935, c. 66, §1.)

1946-58. Issuance of bonds—rate of interest.—Before any bonds are issued pursuant to the provisions of this act, the issuance of such bonds shall be authorized by resolution adopted by the affirmative vote of a majority of the members of the village council. Such bonds shall bear interest at not to exceed four per cent, payable semi-annually, and shall be in such form as the governing body shall by resolution determine, shall be signed by the president and countersigned by the clerk, and may be sold at either private or public sale, with or without notice, as may be determined by such village council. (Act Mar. 25, 1935, c. 66, §2.)

Bonds may be issued without vote of electors. Op. Atty. Gen. (476a-12), Oct. 28, 1935.

1946-59. School districts may purchase bonds.—The governing body of any school district lying wholly or partially within the corporate limits of such village may purchase any bonds refunded or funded pursuant to the provisions hereof by a resolution duly adopted to that effect by the governing body of such school district, and by a vote of the majority of the members of the governing body of such school district. (Act Mar. 25, 1935, c. 66, §3.)

1946-60. Act not to limit power to levy tax.—This act shall not be construed as limiting the powers of a municipality to levy taxes to pay obliflations issued hereunder, and the governing body of each municipality shall have authority and it shall be its duty to levy any taxes necessary to provide revenue to pay such obligations. (Act Mar. 25, 1935, c. 66, §4.)

1946-61. Act supplemental.—The provisions of this act shall be supplemental and additional to the powers in that regard now conferred by law on villages. (Act Mar. 25, 1935, c. 66, §5.)

1946-62. Proceedings to be initiated within nine months.—Any proceedings initiated under the proceedings of this act shall be commenced within nine months after the enactment of this act. (Act Mar. 25, 1935, c. 66, §6.)

1949. Investing of sinking funds in school districts.—The treasurer of any school district in the state is authorized to invest any of the sinking funds in his hands belonging to such school district in bonds of the United States, of the State of Minnesota, or of any other state, or in bonds of any county, school district, city, town or village of the state but no investment shall be made in bonds issued to aid in the construction of any railroad; provided, however, that the net return of any such investment, taking into account the price paid for the bonds, the date when the same fall due and the rate of interest thereon, shall be at a rate not less than 3½ per cent per annum for the whole period elapsing before the maturity thereof; and provided further, that any such investment shall be made only after the same has been duly authorized at a general or special meeting of the board of directors or trustees of such school district. ('07, c. 354, §1; G. S. '13, §1867; Feb. 19, 1929, c. 25.)

School cannot use money in building sinking fund to take up interest bearing warrants of the district. Op. Atty. Gen., Apr. 15, 1929.

"Of the state" refers to the State of Minnesota, and school district cannot invent money in bonds of a county of another state. Op. Atty. Gen., Sept. 16, 1929.

Amendment made by Laws 1929, c. 25, did not have the effect of repealing or superseding the provisions of Laws 1927, c. 131, §9, and school district may invest its sinking fund in warrants issued by a municipality having a definite maturity date. Op. Atty. Gen., Feb. 23, 1931.

Investment of a school district sinking fund is now governed by §1938-11, and not by this section. Op. Atty. Gen., Sept. 17, 1931.

Amendment made by Laws 1929, c. 25, did not have persede Laws 1927, c. 131, §9, Mason's Minn. Stat., §1938-11. Op. Atty. Gen., May 5, 1932.

School districts have no authority to invest any funds other than money in sinking fund. Op. Atty. Gen., Oct. 2, 1933.

Surplus moneys of school district may not be invested in municipal bonds where not part of a sinking fund. Op. Atty. Gen., Oct. 9, 1933.

1950-1. Investment of village sinking funds.

Where village sells gas plant and bondholders will not accept payment before maturity, it may create a sinking fund. It cannot pay the bondholders a premium for privilege of liquidating the bonds. Op. Atty. Gen., Aug. 14, 1929.

1953. Division of bonded indebtedness of townships and villages.

This section relates only to situations where township and village are jointly liable, and not to a situation where town issued bonds prior to incorporation of village. Op. Atty. Gen. (440a), Mar. 25, 1937.

1956. Loans, how made.

State can loan money to a municipality which desires to fund its floating indebtedness under Laws 1927, c. 131, notwithstanding limitations as to maturity contained in §1956. Op. Atty. Gen., Oct. 14, 1933.

City charter debt limits have no binding application where bonds are to be purchased by state board of investment. Op. Atty. Gen. (59a-7), April 15, 1939.

If valid when issued warrants do not become invalid later on by reason of a change in assessed valuation which municipal charter uses as yardstick, and a funding operation creates no new debts. Id.

1957. Limit of debt—Authorization, etc.

Op. Atty. Gen. (928a-8), Apr. 25, 1934; note under §1968.

State board of investment cannot purchase village bonds where total indebtedness of village exceed 15% of assessed valuation of real property. Op. Atty. Gen., July 28, 1933.

State board of investment may lend money to city of Chisholm to refund outstanding certificates of indebtedness, and city may issue bonds without vote of electors. Op. Atty. Gen. (59a-51), Feb. 4, 1936.

City of Chisholm has power to refund certificates of indebtedness without a vote of its electors, and state board of investment has authority to purchase such bonds. Op. Atty. Gen. (59a-51), Feb. 4, 1936.

1958. Special tax levy.—The annual tax levy for the payment of principal and interest on account of such bonds shall be for an amount fifty per cent in excess of the sum to be paid therefrom. The state auditor, at the time of certifying the state tax, shall also certify to each county auditor the amount necessary to pay such principal and interest. When collected so much of such tax as may be necessary shall be paid into the state treasury. The excess remaining shall be held over in the county treasury to be applied on the next future payment due on such bonds, and the amount of such excess shall be reported by the county auditor to the state auditor on or before August first of each year, who shall deduct the same from his next annual tax levy for such purpose. The remainder, when such bonds are paid in full, shall be credited to the general fund of the municipality; and in case a portion of the territory embraced in such municipality at the time such bonds were issued, have since been set off to another municipality, such remainder shall be divided with such other municipality, using as a basis for such division the last assessed valuation of the territory affected by such bonds. Provided, that any such municipality which shall make payment to the state of the full amount of principal and interest due on account of such bonds prior to the extending of such tax therefor by the state auditor shall be exempt from the provisions of this section.

In the case of loans to any municipal corporation more than 70 per cent of the valuation of which consists of iron ore, the State auditor shall each year fix the amount of the tax levy therefor at such amount not exceeding the amounts above provided, as in his opinion will produce sufficient monies to pay the principal and interest falling due during the next ensuing year, after taking into consideration the probable collections upon such levy and the probable collections during said year on tax levies previously made therefor.

The County Auditor, upon authorization by the State Auditor, may amend the 1935 levy of any such municipality by reducing the state loan levy by such amount as the State Auditor may find to be in excess of requirements for the year 1936, and increasing the levy for general purposes by an amount not exceeding the reduction in the state loan levy in any case where:

(a) The State Auditor finds that the levy for state loan purposes has been spread at an amount in excess of that needed to meet principal and interest falling due in the year 1936, and

(b) The levy for general purposes of such municipality has been reduced by the county auditor below that levied by the municipality for general purposes in order to permit the spread of the state loan levy without raising the total levy above statutory limitations, and

(c) The levy for general purposes will not be increased by such amendment above the amount originally levied for such purposes by the municipality, or above the statutory limitations upon such levy. (R. L., §790. Amended '09, c. 94, §1; G. S. '13, §1878; Jan. 24, 1936, Ex. Ses., c. 81.)

On dissolution of villages operating under Laws 1885, c. 145, village council can make levy of taxes only for one year in amount limited by the statutes, and any other necessary amounts must be added by county auditor during subsequent year. Op. Atty. Gen. (469a-4), Aug. 20, 1936.

Town which levied tax to pay principal and interest on bonds sold to the state cannot apply the money to something else, even though it may be able to refund bonds. Op. Atty. Gen. (43B-3), July 5, 1939.

1958-1. School district tax levies for payment of interest.

Intended to apply where bonds fall due serially. Op. Atty. Gen., Sept. 17, 1931.

School board having made and certified a levy of a definite amount for a period of years has authority to change it. Op. Atty. Gen., Sept. 17, 1931.

School board has authority to transfer a surplus in the general fund to the sinking fund for the purpose of purchasing bonds of the district before maturity. Op. Atty. Gen., Sept. 17, 1931.

School board cannot invalidate resolution setting terms of tax levy in bond issue by adopting new resolution without consent of all bondholders. Op. Atty. Gen. (161a-2), May 6, 1937.

1959. Sale of bonds to state—Municipality defined.

This and following sections do not restrict authority given by §2798 to school meetings to rescind previous action, the contract authorized thereby not having taken effect. Independent School Dist. No. 68 of Faribault County v. R., 185M261, 240NW649.

An outline of municipal bond procedure in Minnesota. 20 MinnLawRev 583.

1960. Power of municipality.

City of Duluth may adopt ordinance declaring sewage disposal plants to be a public utility and issue bonds to pay cost of completing same payable out of rentals or charges for use of such plants, without an election, and sell them to the state. Op. Atty. Gen. (387b-9), Sept. 23, 1937.

State board of investment may purchase bonds of common school district to pay cost of constructing "teacherage". Op. Atty. Gen., (159a-5), July 15, 1938.

1962. Where vote of electors is required—etc.

Irregularity in one notice of election upon issuance of school bonds to the State stating that the rate of interest was 4½% when, instead, it was 4¼%, held not to invalidate the election or bond issue. Boyes, Appeal of, 183M542, 237NW412. See Dun. Dig. 867a.

In view of this section architects' charges for plans and specifications may be paid from the proceeds of a bond issue. Op. Atty. Gen., Jan. 14, 1930.

A city desirous of issuing new bonds to take up outstanding water bonds held by the state must submit the matter to the voters. Op. Atty. Gen., July 30, 1931.

Where clerk of independent school district called special meeting to vote upon rescission of authority for bond issue in amount of $120,000 for construction of school, but before holding of election, school board adopted resolution for issuance of $60,000 of bonds and special election was called on second proposition and authority for $120,000 of bonds was rescinded, second special election was valid. Op. Atty. Gen., Apr. 13, 1932.

If village council, on its own initiative, passed resolution calling for special election to vote upon construction of waterworks system and issuing bonds, it had right to reconsider matter and rescind action taken. Op. Atty. Gen., June 15, 1932.

It is mandatory that notice of election to authorize bond issue be in statutory form. Op. Atty. Gen., May 19, 1933.

Procedure and forms for special election for erection of waterworks system and issuing bonds, discussed. Op. Atty. Gen., Aug. 17, 1933.

Statement in published notice of village election of items of indebtedness held not to constitute items of separate provisions to be voted on separately and thus not to vitiate an election to issue bond to pay pre-existing indebtedness. Op. Atty. Gen., Jan. 2, 1934.

If school district does not contain 10 freeholders who are also residents of district, it cannot take advantage of this section. Op. Atty. Gen. (771b), Apr. 23, 1934.

Where vote of electors is required, notice of election and publication of same must comply substantially with statutes. Op. Atty. Gen. (928a-8), May 18, 1934.

Section 393-8, relating to registration of voters, does not modify or amend §1962, as respects election for issuance of bonds to be sold to state. Op. Atty. Gen. (159a-3), Oct. 7, 1936.

Site and building bonds may be stated as one proposition on ballot. Id.

City of Eveleth held authorized to issue bonds to refund certificates of indebtedness issued in 1933, 1934 and 1935. Op. Atty. Gen. (361), Aug. 6, 1937.

Delay of two years in issuing bonds after authorization by electors of school district did not constitute unreasonable delay and recital of expediency in resolution calling election was not necessary. Op. Atty. Gen. (928a-11), Oct. 1, 1937.

City bonds held prima facie valid though there was no recital of an expediency in resolution calling election, election notice did not give location of several polling places within city, and bonds for less interest than that authorized by resolution and ballot. Op. Atty. Gen. (928a-8), Oct. 13, 1937.

Procedure for issuing bonds or warrants for water works and sewer system payable from earnings or special assessments. Op. Atty. Gen., (476b-15), Sept. 21, 1938.

Application of a village for a loan of state funds was returned without approval where there was only 10 days' published notice of election. Op. Atty. Gen. (295a), March 7, 1939.

Village contemplating issuance of bonds for widening, grading, surfacing, installation of curbs, gutters, sidewalks, and street lighting need submit only two questions to the voters, first with reference to streets and second with reference to sidewalks, and it is not necessary to state approximate sum to be used for each purpose. Op. Atty. Gen. (396c-6), June 9, 1939.

1963. Election—Form of ballot—Several propositions.

Form of ballot set forth herein must be used. Op. Atty. Gen., May 19, 1933.

Statement "erecting a grade school and erecting an addition to the high school building," constitutes two propositions which should be voted on separately. Op. Atty. Gen., Aug. 23, 1933.

After electors voted on proposition of issuing bonds to PWA, village council could pass resolution amending former resolutions so as to conform with provisions with reference to date of maturity of proposed bond issue for purposes of sale to the state. Op. Atty. Gen., Jan. 6, 1934.

Form of ballot where village bonds are to be sold to state must comply with this section. Op. Atty. Gen. (44a-7), Feb. 9, 1937.

Ballots must contain statement that bonds are to be sold to state. Op. Atty. Gen. (159a-3), June 7, 1937.

Ballot on question of issuance of bonds for purpose of installing a heating system in a school house and building an addition held sufficient. Op. Atty. Gen. (159a-3), May 12, 1938.

Application for loan was not in conformity with law where resolution and ballot contained three items "$3,000 water tank, pump and equipment, $3,000 repairing pump house, housing fire truck and council room, $4,000 reserved for continuing sewer work in the village", all being voted on as one proposition. Op. Atty. Gen. (928a-8), June 29, 1939.

An outline of municipal bond procedure in Minnesota. 20 MinnLawRev 583.

1964. Election, how held, etc.

Op. Atty. Gen., May 11, 1933; note under §1229.

School district has authority to issue its bonds to state when authorized by voters. Op. Atty. Gen., Aug. 23, 1933.

A school district may issue its bonds to the state by majority vote. Op. Atty. Gen., Dec. 5, 1933.

Village installing new well and equipment under §1229 authorized by five-eighths vote, may issue bonds to state by majority vote of electors. Id.

Village must submit proposition of issuing bonds to pay for an electric light plant to the electors and obtain a five-eighths vote, unless the village plant should sell the bonds to the state, in which case only a majority vote is required. Op. Atty. Gen. (44a-4), July 9, 1935.

If village bonds voted on under §1941 are to be sold to the state, only majority of voters is necessary. Op. Atty. Gen. (44b-5), Oct. 1, 1935.

Only ballots cast at special election and not total cast at general election held on same day should be considered, and blank ballots should be excluded in computing total votes. Op. Atty. Gen. (64t), Nov. 10, 1936.

Number of polling places in independent school district on special bond election is in discretion of board. Op. Atty. Gen. (187b-3), May 14, 1937.

1965. Purchase of bonds by state.

Section 1938-4 does not apply to limit amount of loan made pursuant to this section. Op. Atty. Gen. (44a-3), Nov. 18, 1935.

Taxes levied and in process of collection cannot be deducted from the present indebtedness in determining debt limit of city. Op. Atty. Gen. (519c), May 26, 1936.

City of Ada may issue bonds to pay cost of constructing a hospital pursuant to Laws 1893, c. 204, notwithstanding limitations in home rule charter. Op. Atty. Gen. (36g), Dec. 24, 1936.

State board of investment may loan state funds to a village upon its bonds in an amount not exceeding 15% of assessed valuation of taxable property. Op. Atty. Gen. (44a-7), Feb. 9, 1937.

In taxable property should be included real property, personal property, and money and credit. Op. Atty. Gen. (44B-8), May 22, 1939.

1968. Validity of bonds not to be questioned, except, etc.

State board of investment may purchase village bonds upon which it has received no bids without an election, but it has not done so. Op. Atty. Gen., July 28, 1933.

Maximum amount that state board of investment may loan to a village cannot exceed 15% valuation of its real and personal property. Op. Atty. Gen. (928a-8), Apr. 25, 1934.

1968-1. Purchase of municipal bonds by State Board of Investment.

Act validates all municipal bonds purchased by state board of investment. Laws 1933, c. 150.

State may purchase municipal bonds issued under Laws 1927, c. 331, or Laws 1929, c. 351, etc. Laws 1933, c. 389.

Act Jan. 30, 1937, c. 4, §5, authorizes board to purchase securities issued under old age assistance appropriation act.

State board of investment cannot purchase village bonds where total indebtedness of village exceeds 15% of assessed valuation of real property. Op. Atty. Gen., July 28, 1933.

Village selling bonds to federal government under National Industrial Recovery Act need not advertise for bids. Op. Atty. Gen., Aug. 21, 1933.

Village organized under general laws need not submit propositions of issuing refunding bonds to a vote of electors but it is necessary to advertise for bids unless statutory provision pursuant to which such bonds are issued authorizes sale of same without bids. Op. Atty. Gen. (44b-12), June 17, 1935.

Where farmers are dependent for a living on their crops and will be unable to harvest them unless assistance is provided, county board has authority to borrow money and issue bonds without vote of electors to provide twine and repairs to harvesting machinery, where such bonds are sold to the state. Op. Atty. Gen. (125a-37), July 12, 1935.

1968-2. Same—Information furnished to Board.

Record entered by clerk of school district in record book as record of a meeting, and not notes taken by clerk during meeting, are official records of meeting. Op. Atty. Gen. (162f), Nov. 15, 1935.

1968-3. State board of investment may purchase certain bonds.—In its discretion the state board of investment is hereby authorized to purchase and take, in the name of the State of Minnesota, within the limitations hereinafter expressed, except as provided in Section 5 hereof, not more than fifty per cent of the bonds heretofore or hereafter issued by any municipality under the provisions of Laws 1927, Chapter 331 [§§1946-3 to 1946-12], and/or Laws 1929, Chapter 351 [§§1946-17 to 1946-33], and acts amendatory thereof. The procedure to that end on the part of the municipality shall substantially comply with the provisions of Mason's Minnesota Statutes, 1927, Sections 1961 to 1968-2, inclusive, so far as applicable and adaptable to the provisions of the act under which said bonds are or were issued; but the requirements of Section 1963 as to maturities and as to limiting the bonds to a percentage of the assessed valuation shall not apply. The bonds issued to the State may bear a lower rate of interest than those sold upon competitive bids; and the municipality may issue new bonds to the State to replace or refund and call in not over fifty per cent of outstanding bonds issued under either of the acts aforesaid. (Act Apr. 21, 1933, c. 389, §1.)

Act Apr. 14, 1937, c. 209, §4, authorizes board to purchase certificates issued by state executive council under act.

Laws 1937, c. 220, §7, authorizes board to purchase bonds issued under the act.

Act Apr. 24, 1937, c. 394, §7, authorizes investment board to purchase funding bonds of certain counties.

Act Apr. 26, 1937, c. 489, authorizes board to purchase certificates issued for old age assistance.

Act July 14, 1937, Sp. Sess., c. 23, legalizes proceedings had under Act Apr. 24, 1937, c. 394.

Act Apr. 8, 1939, c. 173, authorizes the investment board to purchase the issue of refunding bonds by any unorganized school territory having 60 or more congressional townships and which has a bonded indebtedness of over 50% of the total assessed valuation of said school district for 1938, exclusive of moneys and credits, which bonds are issued on the unanimous vote of the board of education pursuant to §§1946-17 to 1946-34.

Act Apr. 10, 1939, c. 182, authorizes board to purchase funding bonds of Clearwater County.

Not unconstitutional as revenue measure originating in senate or as lending credit of state. Op. Atty. Gen., June 7, 1933.

Bonds issued for refunding purposes may be purchased by village at discount out of fund loaned by the state for the retirement of bonds. Op. Atty. Gen. (476a-12), June 5, 1935.

Under §1968-3 investment board can only purchase up to 50% of bonds issued by school district under §1938-32. Op. Atty. Gen. (928a-11), July 13, 1937.

1968-4. State board of investments to investigate loans.—In acting on the application of any municipality for a loan hereunder, the state board of investment shall diligently consider the reasonable safety of the investment, and the fiscal and other conditions bearing thereon, also the importance to the general credit of the State and all its political subdivisions and municipalities of preserving the credit and solvency of the applicant, and shall, when requested, furnish to the municipality such study, advice and supervision with respect to its financial situation and the improvement thereof as are practicable. The funds used for the purchase of bonds hereunder shall be

derived as hereinafter provided and not otherwise; and the principal of bonds at any time held by the State, acquired hereunder, shall not exceed the sum of $4,000,000.00. (Act Apr. 21, 1933, c. 389, §2; Apr. 29, 1935, c. 329, §1.)

1968-5. State may issue certificates of indebtedness.—When an application for a loan, or any part thereof, shall be approved by the state board of investment, the state auditor, on its request, shall issue and call certificates of indebtedness of the State in an aggregate sum not to exceed the maximum amount to be paid out by the State in completing the purchase contemplated by such application and approval, such certificate to be numbered serially and to be of such denomination and bear such dates of issue and of maturity and bear interest at such rate, not exceeding five per cent per annum, and payable at such intervals, as the state auditor shall determine; provided none of such certificates of indebtedness shall run beyond a time reasonably feasible for its retirement out of collections on the bonds for the purchase of which it was issued. The interest on such certificates shall be less, by at least one-fourth of one per cent and not more than one per cent, than the interest on the bonds so purchased by the State. Such certificate shall be so issued from time to time as the proceeds thereof are needed for the taking of the municipal bonds contemplated to be purchased. Said certificates shall be in such form and upon such terms and conditions, not inconsistent with the terms of this act, as the State Auditor shall determine, shall be signed by the Governor and attested by the state auditor and shall be sold for not less than par. Such certificates may be purchased by the State Board of Investment for the Permanent School Fund, Swamp Land Fund, Internal Improvement Land Fund or any other trust fund of the State of Minnesota, and shall be deemed "authorized securities" within the provisions of Mason's Stat., 1927, Section 7731, and acts amendatory thereof or supplementary thereto. (Act Apr. 21, 1933, c. 389, §3.)

1968-6. Tax levy to retire certificates.—There is hereby levied for payment in each year in which an instalment or instalments of interest and/or principal of all certificates issued under this act shall become due the aggregate of the same becoming due thereunder for such year, less the amount remaining in the fund applicable thereto at the time of the certification of state taxes payable in such year, after satisfaction of all obligations payable therefrom for the preceding year. The levy so made shall be certified and extended upon the tax rolls for the tax levy payable in each such year, and shall be collected as other state taxes are certified and extended and collected; and the proceeds of such levies, together with the proceeds of collections of interest and principal of municipal bonds purchased by the State hereunder, are hereby appropriated and pledged to the payment of the interest and principal of the certificates of indebtedness issued pursuant to this act. (Act Apr. 21, 1933, c. 389, §4.)

1968-7. May purchase certain county bonds.—The State Board of Investment, in its discretion is also hereby authorized to purchase and take in the name of the State of Minnesota the full issue of bonds of any county in this state in which a game preserve has been created or established by Laws 1929, Chapter 258 [§§5620-1 to 5620-13], or a Reforestation area has been created or established by Laws 1931, Chapter 407 [§§6452-1 to 6452-13], and which bonds are issued under the provisions of Laws 1929, Chapter 351, as amended by Laws 1931, Chapter 155 [§§1946-17 to 1946-33]; provided that the loan to any one county under this section shall not exceed $150,000.00. All of the provisions of this act which are applicable to the purchase and taking of bonds as provided in Section 1 of this act shall be applicable to the purchase and taking of bonds under this section. (Act Apr. 21, 1933, c. 389, §5.)

Sec. 6 of act Apr. 21, 1933, cited, provides that the act shall take effect from its passage.

Act Apr. 24, 1937, c. 385, §10, authorizes investment board to purchase state certificates of indebtedness for buildings at state educational institutions.

1968-8. Sale of bonds to the United States—advertisement—rate of interest.—That any municipality in this state, as such term is defined in Mason's Minnesota Statutes of 1927, Section 1959, which has, or may hereafter have, authority to issue and sell its bonds for the purpose of carrying on public works, the cost of which will be defrayed in part from funds granted by the United States of America through its public works administration, under the provisions of the National Industrial Recovery Act, shall have full authority, and is hereby expressly authorized, to sell and dispose of any of its said bonds to said United States of America, by contract therefor entered into between any such municipality and said federal government, upon such terms and conditions as the governing body of any such municipality shall deem to be in the public interest, without advertising for bids for the purchase thereof; provided the maximum rate of interest on any such bonds shall not exceed four per cent per annum payable semi-annually. (Act Dec. 23, 1933, Ex. Ses., c. 17, §1.)

Village council may sell bonds to federal government pursuant to National Recovery Act without advertising for bids. Op. Atty. Gen., Jan. 4, 1934.

This act is not unconstitutional because bill was passed with long title in house and short title in senate. Op. Atty. Gen. (86a-8), Oct. 18, 1934.

1968-9. Same—Acts legalized.—That any and all Acts heretofore performed by any such municipality in entering into contract with said federal government for the purchase or sale of any such bonds, are hereby legalized and declared valid in all respects. (Act Dec. 23, 1933, Ex. Ses., c. 17, §2.)

1968-10. Same—repeal.—That any and all Acts conflicting with the provisions of this Act are hereby expressly repealed insofar as necessary to give effect to this Act. (Act Dec. 23, 1933, Ex. Ses., c. 17, §3.)

1968-11. Proceedings and bonds legalized.—Where any city of the third class has heretofore initiated proceedings for the issuance of bonds, and has heretofore held an election upon the question of issuing the same, and had advertised for bids and received and accepted bids for the sale of said bonds, such proceedings and the election thereunder are hereby legalized and validated as against any claim that the notice of election was not posted for the length of time or in the number of places required by law or by charter provision, if such notice of election was posted at least ten days before the election, in at least three public places in said city, and as against the objection that the maturities of said bonds were not determined by the governing body prior to the advertisement for bids or receipt of bids thereon, if such maturities were stated in the bid of a successful bidder and agreed to by the governing body in accepting the same. (Act Mar. 19, 1935, c. 53, §1.)

1968-12. 1935 validating act.—This Act may be cited as "The 1935 Validating Act." (Act Mar. 20, 1935, c. 58, §1.)

1968-13. Definitions.—The following terms, wherever used or referred to in this Act, shall have the following meaning:

(a) The term "public body" shall mean any city of any class, including a city organized under a charter framed pursuant to Section 36, Article 4 of the constitution, town, village, borough, county or any school, road, sanitary or drainage district.

(b) The term "bonds" includes bonds, notes, warrants, debentures, certificates of indebtedness, temporary bonds, temporary notes, interim receipts, interim certificates and all instruments or obligations evidencing or representing indebtedness, or evidencing or representing the borrowing of money, or evi-

dencing or representing a charge, lien or encumbrance on specific revenues, income or property of a public body, including all instruments or obligations payable from a special fund. (Act Mar. 20, 1935, c. 58, §2.)

1968–14. Bonds validated.—All bonds heretofore issued for the purpose of financing or aiding in the financing of any work, undertaking or project by any public body to which any loan or grant has heretofore been made by the United States of America through the Federal Emergency Administrator of Public Works for the purpose of financing or aiding in the financing of such work, undertaking or project, including all proceedings for the authorization and issuance of such bonds, and the sale, execution and delivery thereof, are hereby validated, ratified, approved and confirmed, notwithstanding any lack of powers (other than constitutional) of such public body, or the governing board or commission or officers thereof, to authorize and issue such bonds, or to sell, execute or deliver the same, and notwithstanding any defects or irregularities (other than constitutional) in such proceedings, or in such sale, execution or delivery; and such bonds are and shall be binding, legal, valid and enforceable general obligations against all of the taxable property of such public body. (Act Mar. 20, 1935, c. 58, §3.)

1968–15. Not to affect pending actions.—This act shall take effect from and after its passage, provided this act shall not apply to or affect any action or proceedings now pending in which the validity of such proceedings or bonds is questioned. Nothing herein shall be construed as repealing, abrogating or amending any existing statutes relating to penal or civil liability concerning any specific expenditure or disbursement included in such bond issue. (Act Mar. 20, 1935, c. 58, §4.)

1968–16. Notice of redemption of bonds.—Any independent school district with territorial limits which coincide with the territorial limits of any city of the first class in the State of Minnesota, and the government of which independent school district is not provided for in the Charter of said City, which district has outstanding bonds which reserve on their face the right of such district to redeem such bonds, and which bonds and the statute pursuant to which they were issued make no provision for the manner in which notice of redemption shall be given, may redeem said bonds by publishing a notice of redemption once a week for four successive weeks, the first publication thereof to be at least thirty days before the date fixed for redemption, in a newspaper published in the district and in a financial paper published in the City of New York, in the State of New York. (Act Mar. 20, 1935, c. 59, §1.)

1968–17. Bonds validated.—All of said outstanding bonds are hereby ratified, validated and confirmed, and refunding bonds may be issued without the approval of the voters of such independent school district to redeem said outstanding bonds, pursuant to the provisions of Chapter 10 of Mason's Minnesota Statutes of 1927. (Act Mar. 20, 1935, c. 59, §2.)

1968-18. Provisions severable.—If any provision of this act shall be declared to be unconstitutional, it shall not affect any of the remaining provisions of this act, all of which remaining provisions shall continue to be in full force and effect. (Act Mar. 20, 1935, c. 59, §3.)

1968–19. Effective date.—This act shall take effect and be in force from and after its passage. (Act Mar. 20, 1935, c. 59, §4.)

1968–20. Independent school district may issue bonds in certain cases.—Any independent school district with territorial limits which coincide with the territorial limits of any city of the first class in the State of Minnesota, and the government of which independent school district is not provided for in the charter of said city, may issue its bonds to an amount not exceeding one (1) per cent of the assessed value, as last determined, of all the taxable property within such district including moneys and credits, to fund its floating indebtedness or a portion thereof in the manner hereinafter provided, without submitting the question of such issue to the electors of such district and without regard to the amount of any or all other outstanding debts of such district and notwithstanding any existing limitations. (Act Mar. 26, 1935, c. 67, §1.)

1968–21. Issuance of bonds—rate of interest—maturity.—Such funding bonds shall be the direct and general obligations of the independent school district issuing same and shall be authorized by resolution duly adopted by the governing body of such district, which resolution shall set out the amount of the floating indebtedness to be funded and provide for the details of the bonds to be issued. Such bonds shall bear interest at not to exceed six per cent per annum payable semi-annually and shall mature in not to exceed twenty (20) years from the date thereof but otherwise said bonds shall mature in such amounts and at such times and shall be subject to such conditions as to redemption or payment before maturity as may be authorized by resolution duly adopted by the said governing body. (Act Mar. 26, 1935, c. 67, §2.)

1968–22. Sale of bonds.—Such bonds shall be sold in such amounts and at such times as may be determined by the governing body of any such district and pursuant to at least two weeks' notice asking for bids published in a newspaper designated by said governing body. Said bonds shall not be sold for less than their par value. The proceeds from all bonds so sold shall be applied by said school district to the payment of its oustanding floating indebtedness set out in the resolution authorizing the funding bonds, but no purchaser or owner of any such bonds shall be under any obligation whatever with respect to the application of the proceeds when received by said school district. (Act Mar. 26, 1935, c. 67, §3.)

1968–23. Tax levy.—The governing body of any independent school district issuing bonds under the provisions of this Act shall before the issuance thereof, levy for each year, until the principal and interest are paid in full a direct annual tax in an amount not less than five per cent (5%) in excess of the sum required to pay the principal and interest thereof when and as same mature notwithstanding any existing limitation. After such bonds have been delivered to the purchaser thereof, such tax shall be irrepealable until such bonds have been paid and no further action of the governing body shall be necessary to authorize the extensions, assessments, and collection of such tax. The recording officer of such independent school district shall forthwith furnish a certified copy of such levy to the County Auditor or County Auditors of the county or counties in which such district is situated, together with full information regarding the bonds for which tax is levied and such County Auditor or County Auditors shall enter the same in the register provided for such cases and shall extend and assess the tax so levied. (Act Mar. 26, 1935, c. 67, §4.)

1968–24. Act remedial.—The fact that due to delinquencies in tax collections such independent school districts have outstanding floating indebtedness which should be funded so as to protect the credit of such districts necessitates the passage of this Act which is hereby declared to be remedial in character. No funding bonds shall be issued under authority of this Act unless a resolution authorizing such issuance as hereinbefore provided shall be adopted by the governing body of such independent school district within Four (4) months after this Act is in force. The term, "floating indebtedness," as used in this Act shall include all the outstanding obligations of said independent school district with accrued interest existing at the time this Act becomes effective, exclusive of bonded indebtedness and interest thereon.

In order to facilitate the issuance of the funding bonds hereinbefore authorized, the floating indebtedness of any such independent school district outstanding at the time this Act becomes effective is hereby validated. (Act Mar. 25, 1935, c. 67, §5.)

1968-25. Act paramount and controlling.—The provisions of this Act shall be paramount and controlling, notwithstanding any other Act or part thereof which may be inconsistent herewith, and this Act shall take effect and be in force from and after its passage. (Act Mar. 26, 1935, c. 67, §6.)

1968-26. Definitions.—The word "municipality," as used herein, shall be held to mean and include the various counties, cities, villages, boroughs, towns and school districts in the State of Minnesota. (Act Apr. 24, 1935, c. 294, §1.)

1968-27. Bonds validated.—Whenever the State Board of Investment shall have heretofore loaned the funds of the State of Minnesota to any municipality in this state, the validity of the bonds issued by said municipality to the state shall never be questioned except upon the ground that the same and the loan made thereon was not approved by the State Board of Investment; that the bond in question made the entire bonded indebtedness exceed fifteen (15) per cent of the assessed valuation of the taxable property of the muncipality issuing such bonds; that such bonds bear a lower rate of interest than three (3) per cent; that such bonds run for a shorter period than five years, or for a longer period than twenty years; or that the principal thereof was never paid by the state to, or received by, the officers of the municipality issuing the same; and no change of the boundary lines of any such municipality shall relieve the real property therein at the time of the issuing of such bonds from any liability from taxation to pay for the same, and all such bonds so purchased are hereby declared to be the valid and subsisting indebtedness of each municipality respectively issuing the same. (Act Apr. 24, 1935, c. 294, §2.)

1968-28. Federal aid projects—1937 Validating act.—This Act may be cited as "The 1937 Validating Act". (Apr. 21, 1937, c. 327, §1.)

Independent school district proceeding legalized to validate bond issue of less than $40,000. Laws 1939, c. 134.

1968-29. Same—Definitions.—The following terms, wherever used or referred to in this Act, shall have the following meaning:

(a) The term "public body" shall mean any city of any class, including a city organized under a charter framed pursuant to Article 4, Section 36 of the constitution, town, village, borough, county or any school, road, sanitary, or drainage district.

(b) The term "bonds" includes bonds, notes, warrants, debentures, certificates of indebtedness, temporary bonds, temporary notes, interim receipts, interim certificates and all instruments or obligations evidencing or representing indebtedness, or evidencing or representing the borrowing of money, or evidencing or representing a charge, lien or encumbrance on specific revenues, income or property of a public body, including all instruments or obligations payable from a special fund. (Apr. 21, 1937, c. 327, §2.)

1968-30. Same—Bonds validated.—All bonds heretofore issued for the purpose of financing or aiding in the financing of any work, undertaking or project by any public body to which any loan or grant has heretofore been made by the United States of America through the Federal Emergency Administrator of Public Works for the purpose of financing or aiding in the financing of such work, undertaking or project, including all proceedings for the authorization and issuance of such bonds, and the sale, execution and delivery thereof, are hereby validated, ratified, approved and confirmed, notwithstanding any lack of powers (other than constitutional) of such public body, or the governing board or commission or officers thereof, to authorize and issue such bonds, or to sell, execute or deliver the same, and not withstanding any defects or irregularities (other than constitutional) in such proceedings, or in such sale, execution or delivery; and such bonds are and shall be binding, legal, valid and enforceable general obligations against all of the taxable property of such public body. (Apr. 21, 1937, c. 327, §3.)

1968-31. Same—Not to affect pending actions.—This act shall take effect from and after its passage, provided this act shall not apply to or affect any action or proceedings now pending in which the validity of such proceedings or bonds is questioned. Nothing herein shall be construed as repealing, abrogating or amending any existing statutes relating to penal or civil liability concerning any specific expenditure or disbursement included in such bond issue. (Apr. 21, 1937, c. 327, §4.)

1969. Bonds purchased by state legalized.

Repealed, Laws 1929, c. 32; Laws 1931, c. 203. Reenacted Apr. 4, 1933, c. 150.

1972. Laws as to outstanding bonds continued.

Act Apr. 12, 1937, c. 200, validates municipal bonds purchased by the state investment board.

Home rule charter city electing to come under Laws 1913, c. 303, may proceed thereunder notwithstanding provisions of charter. Op. Atty. Gen. (36c-9), Feb. 18, 1937.

1973. [Repealed.]

Repealed Apr. 5, 1935, c. 123, §1, saving pending proceedings involving validity of bonds.

Sec. 3 of Act Apr. 8, 1921, c. 209, provides that nothing therein contained shall affect the powers conferred upon school districts by this section.

Where electors authorize addition to school house and issuance of bonds, school board subsequently elected could issue the bonds. Op. Atty. Gen., May 13, 1932.

Where school board submits matter of addition to school house to voters and majority vote for addition and issuance of bonds, board cannot subsequently refuse to issue bonds. Op. Atty. Gen., May 13, 1932.

Consolidated school district may not issue bonds for purpose of paying running expenses of school, but may issue bonds to fund floating indebtedness originally incurred in paying such running expenses. Op. Atty. Gen., Mar. 8, 1933.

Upon insolvency of bank, county may sell bonds held as collateral, though not yet due, and prior to such sale banking department is not obligated to entertain claim against bank. Op. Atty. Gen. (29b-5), May 25, 1934.

School districts cannot issue bonds for purpose of buying school busses. Op. Atty. Gen. (159a-5), Dec. 12, 1936.

1973-½. Cities of second class may issue bonds for school buildings.—That in any city of the second class in the State of Minnesota and not operating under a Home Rule Charter, the Board of Education is hereby authorized and empowered to issue and sell bonds of said City to an amount not exceeding $100,000.00 for the purpose of providing funds for the erection or replacement of school buildings and to provide equipment, heating and lighting apparatus and other necessary equipment for the same and to secure additional grounds if required for a site for such building, providing, such issue shall have been authorized or may be authorized by a vote of a majority of the electors of such city voting upon such proposition providing for the issuance of an aggregate amount of bonds for such purpose within a period of two years just preceding such issuance. (Act Apr. 1, 1931, c. 112, §1.)

1973-½a. Bonds—denomination—rate of interest.—Such bonds shall be of the denomination of $1,000.00 each and shall bear interest to be represented by coupons attached thereto at the lowest attainable rate, not to exceed four and one-half per cent, per annum, payable semi-annually. The principal thereof shall be made to mature and fall due at such different times and in such amounts as said Board may prescribe, providing however that all of the said bonds shall be made to mature and fall due at or before five years from the date of issuance thereof. Said bonds and the coupons attached thereto shall be

signed severally by the President and the Clerk of said Board and drawn payable to bearer, and shall have the seal of said Board affixed thereto. (Act Apr. 1, 1931, c. 112, §2.)

1973-½b. Shall not be sold for less than par.—Such bonds shall not be sold at less than their par value, and the proceeds arising from their sale shall be deposited with the city treasurer and held subject to the order of said board for application to the purposes for which the bonds were issued. The full faith and credit of each such city shall be pledged and all of the taxable property in each such city shall be liable for the payment of the principal and interest of said bonds when issued. Provided, however, that no bonds shall be issued under this act if such issue shall make the total indebtedness of said city aggregate more than ten per cent of the assessed valuation of such city according to the last preceding assessment. (Act Apr. 1, 1931, c. 112, §3.)

1973-½c. Tax levy to retire.—When any of the bonds herein authorized shall have been issued and sold as above provided, it shall thereafter be the duty of the board of education to provide for and secure the levy of an annual tax of such amount as may be necessary to pay the principal and interest of such bonds as the same become due, and such annual tax shall be certified, levied and collected in the same manner as other school taxes are certified, levied and collected, and when collected shall be paid over to the city treasurer to be applied to the payment of the principal and interest of said bonds and to no other purpose. (Act Apr. 1, 1931, c. 112, §4.)

Act Feb. 8, 1935, c. 9, repeals and re-enacts Act Jan. 9, 1934, Ex. Ses., c. 75. *Omitted as local and temporary.*

Act Jan. 13, 1936, c. 14, §1, validates bonds issued by independent districts having assessed value of not more than $275,000.

Act Jan. 21, 1936, Sp. Ses. 1935-36, c. 60 legalizes bonds theretofore authorized or issued for erecting school buildings by school districts in fourth class cities pursuant to Laws 1935, c. 121.

1973-½d: Bonds validated.—All bonds otherwise valid heretofore issued by any school district under authority of any law other than General Statutes 1894, Section 3688, as amended by Laws 1905, Chapter 272, Section 1, being Mason's Minnesota Statutes of 1927, Section 1973, are hereby legalized and validated, notwithstanding any failure of the school district, its officers or officials, to comply with the provisions of said section in the issuance thereof. (Act Apr. 5, 1935, c. 123, §2.)

1973-½e. Not to affect pending litigation.—This act shall not apply to or affect any action or proceedings now pending in which the validity of such proceedings or bonds is questioned. (Act Apr. 5, 1935, c. 123, §3.)

POWERS OF CITIES OF THE FIRST CLASS WITH RESPECT TO BONDS

Laws 1929, c. 112, legalizes bonds issued or ordered to be issued for two or more distinct improvements.

Act Dec. 20, 1933, c. 2, Ex. Ses., legalizes anticipation certificates of indebtedness theretofore issued and proceedings for issue of bonds, and authorizes bond issue accordingly. Omitted as temporary.

Act Ex. Ses., Dec. 20, 1933, c. 3, authorizes cities of the second class situated on navigable river, which the federal government is regulating by the construction of dams, to issue bonds for the construction of a sewage improvement project. Omitted as of local application.

Act Jan. 18, 1936, Sp. Ses. 1935-36, c. 44, authorizes cities of the first class having bonded debt not exceeding $10,000,000 to issue bonds not exceeding $150,000 for carrying out federal or state aided projects.

'37, c. 3, authorizes first class cities having total bonded debt not exceeding $10,000,000 to issue $50,000 bonds to finance government aid project.

POWERS OF CITIES OF THE SECOND CLASS WITH RESPECT TO BONDS

Act authorizing cities of second class not operating under home rule charter to issue bonds to provide additional school buildings, grounds and equipment. Laws 1931, c. 112.

Act Jan. 18, 1936, Sp. Ses. 1935-36, c. 40, provides that in cities of the second class in counties constituting single school district the board of education may issue bonds in the sum of $325,000 to construct school buildings.

POWERS OF CITIES OF THE FOURTH CLASS WITH RESPECT TO BONDS

Act Feb. 13, 1931, c. 11, legalizes funding bonds issued by fourth class cities having home rule charter in excess of bond debt limit.

Laws 1931, c. 154, legalizing funding bonds.

Laws 1931, c. 172, legalizes storm sewer bonds.

Act Ex. Ses., Dec. 23, 1933, c. 12, validates bonds theretofore issued in excess of 10% of assessed valuation to secure loan of federal funds under National Recovery Act. Omitted as temporary. Act Ex. Ses., Dec. 23, 1933, c. 13, validates bonds theretofore issued for sewage disposal plant. Omitted as temporary.

Laws Sp. Ses. 1935-36, c. 15, validates bonds issued for fire fighting equipment in fourth class cities to amount not exceeding $3,000.

Act Apr. 5, 1937, c. 142, provides that in cities of the fourth class operating under home rule charters and having population of 2,750 to 2,850, the governing body may issue bonds for community building to amount authorized by city council.

Act Apr. 21, 1937, c. 332, validates securities issued by fourth class cities with home rule charter less than 8,000 population and over $9,000,000 assessed valuation.

Act Apr. 24, 1937, c. 462, provides that state treasurer and state investment board may surrender bonds of fourth class city in counties of over 450,000 inhabitants, where such bonds have been paid.

Act July 16, 1937, Sp. Sess., c. 75, legalizes street improvement proceedings and authorizes issuance of certificates of indebtedness to complete same.

'36, Ex. Sess., c. 3, legalizing bonds for community hall.

Act Apr. 4, 1939, c. 142, legalizes bonds and certificates of indebtedness, to amount of not more than $8,000, issued by fourth class cities having a home rule charter, located in counties having 39 to 40 congressional townships, population of 21,000 to 25,000, assessed valuation, exclusive of moneys and credits, of $6,000,000 to $10,000,000. The act is omitted as local and special within Const. Art. 4, §33.

POWER OF COUNTIES WITH RESPECT TO BONDS

Act Feb. 26, 1929, c. 41, authorizes bonds not to exceed $15,000 to fund outstanding warrants for cleaning and repairing ditches; the resolution of the county board to be adopted within 90 days after passage of this act. It is omitted as temporary.

Laws 1929, c. 116, authorizes counties having bonded debt not exceeding $7,500,000, assessed valuation of not less than $200,000,000, 96% of which is in cities to issue bonds or certificates of indebtedness for roads, streets, bridges and parkways.

Laws 1929, c. 121, authorizes counties having assessed valuation of $25,000,000 or more, bonded debt of not more than $21,000, exclusive of drainage and road bonds, and entitled to reimbursement from state road and bridge fund to amount of $200,000 or more, to issue funding bonds of not more than $300,000.

Laws 1929, c. 127, declares that in counties with assessed valuation of $175,000,000, 95% of which is in cities, proceeds of bonds shall not be used until projects have been determined. Amended by Laws 1931, c. 194.

Laws 1929, c. 342, authorizes counties having assessed valuation of not more than $4,000,000, and bonded debt of not more than $30,000, to issue funding bonds to take up road and bridge warrants.

Act Feb. 10, 1931, c. 10, legalizes bonds issued by counties having assessed valuation, exclusive of moneys and credits, of not less than $9,000,000 and bonded debt of not more than $415,000, and which have revolved to issue funding bonds in amount not exceeding $50,000.

Laws 1931, c. 80, validates proceedings of county board relating to funding bonds.

Counties with assessed valuation not exceeding $6,500,000, net debt not exceeding $525,000, and outstanding warrants of more than $200,000, etc. Laws 1931, c. 102, authorizes issue of funding bonds and levy of tax. Amended, Laws 1939, c. 278.

Laws 1931, c. 239, validates funding bonds.

Act Apr. 15, 1933, c. 258, and act Apr. 17, 1933, c. 290, provide that counties having assessed valuation of not more than $12,000,000, bonded debt of $26,000, exclusive of drainage bonds, and outstanding road warrants not exceeding $50,000, may issue refunding bonds.

Laws 1933, c. 285, amends §1 of c. 127, Laws 1929, as amended by Laws 1931, c. 194.

Laws 1933, c. 387, provides that the county board in counties having population of 200,000 to 240,000, and assessed valuation, including moneys and credits, of less than $350,000,000, may sell bonds heretofore or hereafter authorized to be issued.

Act Ex. Ses., Dec. 23, 1933, c. 18, legalizes special road bonds issued pursuant to special election held within 6 months prior to passage of act. Omitted as temporary.

Act Ex. Ses., Dec. 23, 1933, c. 20, authorizes counties having $2,000,000 to $3,000,000 assessed valuation, in which warrants drawn on general and poor funds have

been paid from other funds, to issue funding bonds not exceeding $35,000. Omitted as local.

Act Ex. Ses., Dec. 27, 1933, c. 24, authorizes counties having assessed valuation of $300,000,000 to $350,000,000, bonded debt of less than $3,000,000 and overdraft on work farm fund of not more than $65,000, to issue funding bonds.

Act Ex. Ses., Dec. 28, 1933, c. 31, authorizes counties having assessed valuation, including moneys and credits, of $4,000,000 to $5,000,000, population of 13,000 to 15,000, area of 17 to 19 townships, and outstanding warrants in excess of $60,000, and counties having assessed valuation, including moneys and credits, of $6,000,000 to $8,000,000, population of 9,000 to 10,000, area of 15 to 17 townships and outstanding warrants exceeding $30,000, to issue refunding bonds. Omitted as local.

Act Ex. Ses., Jan. 5, 1934, c. 44, authorizes counties having assessed valuation, exclusive of moneys and credits, of less than $9,000,000, and bonded debt, exclusive of road bonds, of over $1,250,000, on more than 50% of which interest is in default for six months or more, to issue refunding bonds. Omitted as local.

Act Jan. 6, 1934, Ex. Ses., c. 49, authorizes counties having assessed valuation, inclusive of moneys and credits, of $9,000,000 to $11,000,000, population of 16,000 to 18,000, area of 17 to 19 townships, and outstanding warrants against road and bridge fund of not more than $200,000, to issue funding bonds to take up such warrants. Omitted as local.

Act Jan. 9, 1934, Ex. Ses., c. 64, authorizes counties having assessed valuation, exclusive of moneys and credits, of $12,000,000 to $15,000,000, population of 10,000 to 20,000 and bonded debt of not to exceed 1% of assessed valuation, to issue bonds not exceeding $25,000 for repair of courthouse. Omitted as local.

Act Jan. 9, 1934, Ex. Ses., c. 65, legalizes bonds issued by counties having assessed valuation of $10,000,000 to $15,000,000 to refund outstanding warrants. Omitted as local and temporary.

Laws 1935, c. 101. Counties having 11,000 to 13,000 population and 13 to 15 townships and valuation of less than $6,000,000 and indebtedness of less than $400,000, may issue $25,000 bonds to repair bridges.

Laws 1935, c. 219. Counties having valuation of more than $400,000,000 and bonded indebtedness of less than $4,000,000 and operating on a budget, may issue bonds to fund outstanding warrants and certificates of indebtedness.

Laws 1935, c. 222. Counties having valuation of less than $15,000,000 and indebtedness in excess of $1,750,000, may issue bonds to fund and refund outstanding indebtedness.

Laws 1935, c. 275. Counties having valuation of $6,000,000 to $9,000,000 and population of 25,000 to 28,000 and 27 to 29 townships, may issue bonds to fund warrants.

Laws 1935, c. 374, amends Laws 1929, c. 127, §1, as amended by Laws 1931, c. 194, as amended by Laws 1933, c. 285.

Act Feb. 5, 1937, c. 14, authorizes certain counties to issue bridge bonds and legalizes proceedings already had.

Act Feb. 24, 1937, c. 40, authorizes counties having 15 to 17 townships, 12,000 to 13,000 population, and assessed valuation of $5,000,000 to $10,000,000, to issue bonds to refund warrants and reimburse certain funds.

Act Mar. 12, 1937, c. 65, §6, authorizes borrowing of money to make seed loans to needy farmers for 1937 crop.

Act Apr. 2, 1937, c. 136, legalizes proceedings for issuance of funding bonds to retire floating indebtedness.

Act Apr. 6, 1937, c. 159, provides that counties having assessed value of over $400,000,000, and bonded debt of not more than $4,000,000, exclusive of reimbursible highway bonds, may issue $50,000 bonds to repair courthouse.

Act Apr. 8, 1937, c. 176, provides that counties having assessed valuation of not less than $400,000,000, inclusive of money and credits, and bonded indebtedness, outside of reimbursible highway bonds, of not exceeding $4,000,000, may issue bonds not to exceed $200,000 to fund outstanding warrants.

Act Apr. 14, 1937, c. 220, provides that in counties having 20 to 22 townships, 13,500 to 14,500 inhabitants, and assessed valuation of $5,000,000 to $9,000,000, bonds may be issued to fund outstanding warrants.

Act Apr. 24, 1937, c. 394, provides that in counties having 15 to 16 townships, population of 11,000 to 12,000, assessed valuation, exclusive of money and credits, of $5,000,000 to $7,000,000, bonds may be issued to fund or refund warrants.

Act July 14, 1937, Sp. Sess., c. 23, legalizes proceedings had under Act Apr. 24, 1937, c. 394.

Act Feb. 17, 1939, c. 18, authorizes counties having 40 to 50 congressional townships, 18,000 to 22,000 inhabitants, and assessed valuation of $4,000,000 to $8,000,000, to issue bonds to fund outstanding warrants existing Jan. 1, 1939, such issuance to occur within 3 months after passage of act.

Act Mar. 25, 1939, c. 81, authorizes counties having not less than 25 congressional townships, population of not more than 15,000, assessed valuation, exclusive of moneys and credits, of not less than $5,000,000, and outstanding road and bridge warrants in excess of $100,000, to issue bonds to fund such warrants, to be issued prior to July 1, 1939, without vote of electors. Probably unconstitutional as involving improper classification.

Act Mar. 25, 1939, c. 83, authorizes counties having 13 to 15 congressional townships, population of 11,000 to 13,000, assessed valuation of not more than $6,000,000, to issue bonds to refund outstanding warrants existing as of Mar. 1, 1939.

Bond issues for relief of poor in certain counties, Laws 1929, c. 371; 1935-1936, Ex. Ses., c. 90; 1939, c. 178.

In counties having 29 to 31 townships and 9,400 to 9,700 population and valuation of $1,600,000 to $1,900,000 refunding bonds for outstanding warrants may be issued. Laws 1939, c. 182.

In counties having 25,000 to 30,000 population and valuation of $14,000,000 to $18,000,000 and outstanding bonds of $700,000 to $1,000,000, a $20,000 bond issue is legalized. Laws 1939, c. 317.

Laws 1921, c. 117.

Op. Atty. Gen., May 22, 1931; note under §1938-6.

POWER OF VILLAGES WITH RESPECT TO BONDS

Laws 1935, c. 83. Legalizes bond issue for less than $5,500 for construction of village hall, where vote indicated over ⅔ favorable vote for issuance.

Act Jan. 13, 1936, c. 24, Sp. Ses. 1935-36, legalizes bonds of villages issued for several different purposes.

Act Mar. 2, 1937, c. 47, validates bonds authorized at election at which aggregate amount for two or more distinct purposes was voted.

Act Mar. 8, 1937, c. 62, authorizes villages whose indebtedness is less than 20% of assessed valuation to issue bonds to fund or refund indebtedness, power to be exercised within one year from Mar. 8, 1937, date of approval.

Act Apr. 14, 1937, c. 231, applicable to villages having 900 to 1,500 population, validates sewer proceedings, and authorizes issuance of warrants.

Act Apr. 17, 1937, c. 277, legalizes proceedings for issue of refunding bonds in certain villages.

Act Apr. 23, 1937, c. 378, provides that villages of 300 inhabitants or less, not over $200,000 assessed valuation, debt less than 5% of such valuation and which has constructed sewers with federal aid, may issue certificates not to exceed $3500, and validates proceedings already taken.

Act Apr. 24, 1937, c. 392, legalizes contracts by villages of less than 1,500 population for improvement of power plant.

Act July 14, 1937, Sp. Sess., c. 20, legalizes prior proceedings for laying watermains, and authorizes issuance of certificates of indebtedness not exceeding $15,000.

Act July 15, 1937, Sp. Sess., c. 66, legalizes refunding bonds issued by certain villages.

Act Mar. 31, 1939, c. 98, validates bonds issued by special school districts in cities of the fourth class operating under home rule charter.

Act Apr. 1, 1939, c. 134, legalizes bonds issued for gymnasium-auditorium.

Act Apr. 14, 1939, c. 262, legalizes bond issue by specially described school district for construction of auditorium-gymnasium. Probably unconstitutional as local and special.

Act Apr. 14, 1939, c. 239, authorizes Hibbing to issue bonds for sewage disposal plant. Probably unconstitutional as local and special.

Laws 1937, c. 52, permitting villages to issue bonds to retire existing indebtedness without vote of people, is constitutional. Op. Atty. Gen. (476a-3), Feb. 2, 1938.

POWER OF SCHOOL DISTRICTS WITH RESPECT TO BONDS

Act Ex. Ses., Dec. 21, 1933, c. 5, authorizes board of education in any district embracing an entire county in which is located a city of the second class, and which board has power to levy school taxes, to issue bonds or certificates of indebtedness not exceeding $300,000 for erection of an additional grade school building to replace old buildings. Omitted as local in application.

Act Jan. 9, 1934, Ex. Ses., c. 75, authorizes independent school districts within cities of the first class, the charters of which do not provide for school government, to issue bonds not exceeding $17,500 in amount to pay cost of improvements on school property. It is omitted as local and temporary.

Laws 1935, c. 9. Authorizes independent school district with territorial limits which coincide with territorial limits of city of first class to issue bonds not exceeding $17,500 and repealing Laws Ex. Ses. 1934, c. 75.

Act Jan. 28, 1937, c. 2, legalizes bond issues for school buildings.

Act Apr. 21, 1937, c. 338, effective Apr. 1, 1938, provides that independent school districts having a village of less than 1,000 population, situated in counties having 13 to 14 townships, 12,000 to 13,000 population, and assessed valuation, exclusive of monies and credits, of $2,000,000 to $4,000,000, may issue bonds, not exceeding $40,000, to construct addition to high school, if approved by voters.

Act Apr. 22, 1937, c. 363, validates bonds issued by independent consolidated school districts to build addition to school house.

Act Apr. 24, 1937, c. 461, provides that independent school districts in counties having 200,000 to 275,000 population, 200 to 205 townships, and assessed valuation, exclusive of monies and credits, of not less than $200,000,000, may issue bonds not to exceed $25,000.

Independent school district bond issue legalized. Laws 1939, c. 262.

Where electors of Wells school district voted to issue bonds in the sum of $120,000, and a request for a special election to vote upon rescinding authorization for issuance of bonds was filed, it would be confusing and possibly invalid to call another election to vote upon proposition of issuing bonds for a lesser amount without having first rescinded the original authorization. Op. Atty. Gen., Mar. 7, 1932.

Vote of electors is not necessary for issuance of school district refunding bonds. Op. Atty. Gen. (40c-1), Dec. 7, 1934.

CHAPTER 10A

Depositories of Public Funds

1973-1. Depository bonds.—Any bank or trust company authorized to do a banking business in this state, designated as a depository of county, city, village, borough, town or school district funds, as provided by law, may, in lieu of the corporate or personal surety bond required to be furnished to secure such funds, deposit with the treasurer of the municipality making such designations, such bonds, certificates of indebtedness or warrants, except bonds secured by real estate, as are legally authorized investments for savings banks under the laws of the state of the bonds of any of the insular possessions of the United States, or the bonds of any state, or its agency, the payment of the principal and interest of which, or either, is provided for otherwise than by direct taxation—, or notes secured by first mortgages of future maturity, upon which interest is not past due, on improved real estate free from delinquent taxes, within the county wherein said bank or trust company is located, or within counties immediately adjoining such county in the State of Minnesota. The total in amount of such collateral computed at its market value shall be at least ten per cent more than the limit of deposit which would be permitted if a corporate or personal surety bond was furnished. The depository may in its discretion furnish both a bond and collateral aggregating the required amount. Any collateral so deposited shall be accompanied by an assignment thereof to the municipality designating such depository, which assignment shall recite that such depository shall pay over to the treasurer, or his order, on demand, or if a time deposit when due, free of exchange or any other charges all moneys deposited therein at any time during the period such collateral shall be so deposited, and to pay the interest thereon when due at the agreed rate; and that in case of any default upon the part of the depository the governing body of the municipality making the designation shall have full power and authority to sell such collateral, or as much thereof as may be necessary to realize the full amount due the municipality and to pay over any surplus to the depository, or its assigns. A depository may in its discretion deposit collateral of a value less than the total designation and may from time to time during the period of its designation deposit additional collateral and make withdrawals of excess collateral, or substitute other collateral for that on deposit, or any part thereof. Authority is vested in the treasurer to return the collateral to the depository when the trust so created is terminated and he shall in the case of a reduction of the deposit permit the depository to withdraw the excess portion thereof. All interest on the collateral so deposited when collected shall be paid to the depository so long as it is not in default. Before any collateral is deposited with the treasurer it shall first be approved by the same authority that designated the depository but no such authority shall be necessary for the withdrawal of collateral. The closing of a depository shall be deemed a default upon the part of the depository and no demand upon the part of the municipality, or its treasurer, shall be necessary to establish such default. If a depository shall close, any time deposit placed therein shall immediately become due and payable. If both bond and collateral is furnished by a depository, all or any part of the collateral may be withdrawn without in any way impairing the full force and effect of the bond unless it shall contain a provision that the collateral shall not be withdrawn without the consent of the surety thereon. If a corporate surety bond is furnished by a depository it shall be in a penal sum not to exceed the amount designated as the limit of deposit therein notwithstanding any other provisions of law to the contrary. At no time shall the treasurer maintain a deposit in any depository against collateral in excess of ninety per cent of the market value thereof. Any provision of law authorizing any county, city, village, borough, town or school district to designate banks as depositories shall be construed to include trust companies authorized to do a banking business. All bonds furnished under the provisions of this Act shall be approved by the governing body of the municipality making such designation and shall be filed in the office of the county auditor as provided by Chapter 118, of the Laws of the State of Minnesota for the year 1927, and all collateral deposited under the provisions of this Act shall be approved by the governing body of the municipality making such designation and after such approval be deposited with the treasurer of such municipality, unless the governing body of such municipality shall by resolution fix and determine some other place for the safe keeping of such collateral. Provided such collateral shall not be re-deposited in the bank or trust company furnishing the same. ('25, c. 173, §1; Apr. 25, 1929, c. 370, §1; Mar. 1, 1933, c. 41, §1.)

Sec. 2 provides that the act shall take effect from its passage.

City did not have a preferred claim against an insolvent depository bank in which city treasurer had made deposits in excess of securities deposited by the bank, the overdeposit not constituting an offense under §10303. 172M324, 215NW174.

A bank has no power to pledge any of its assets to secure the repayment of the deposits, except as given by statute. 174M286, 219NW163.

Where an unauthorized pledge of assets is made by bank and it becomes insolvent, receiver may recover assets pledged, or damages, if they have been converted. 174M286, 219NW163.

A commercial bank has no power to pledge bills receivable to secure deposits, even though it be to induce an extension of a past-due deposit. 175M363, 221NW242.

Surety held not liable where bank continued to do business several years after the close of the year covered by the bond. 175M482, 221NW869.

This section must be construed as a part of a depository bond, and liability of sureties is limited to the penalty of the bond, and where the bank closes, the liability of the sureties becomes absolute, and when they pay the loss they are subrogated to the rights of the obligee, and such right of subrogation cannot be questioned by the sureties on the treasurer's bond. 181M271, 232NW320. See Dun. Dig. 2701, 9045.

Bondsmen of depository for school district, designated without any specifications as to time, were liable to school district where bank was taken over for liquidation three years and two days after designation. School Dist. No. 75 of Kittson County v. F., 182M381, 234NW594. See Dun. Dig. 2701, 2702.

The evidence is not sufficient to sustain a finding that Liberty bonds deposited with the defendant bank, a designated depository of the plaintiff school district, were a substitute or in lieu of a bond executed with individual sureties, or that the taking of Liberty bonds discharged such bond, or that another bank was designated as a depository; and the trial court was right in so directing the jury. School Dist. No. 75 of Kittson County v. F., 182M381, 234NW594. See Dun. Dig. 2701.

City treasurer had authority to make agreements with depositaries as to interest rates and to agree or consent to changes in such interest rates from time to time, as

conditions might require. City of Minneapolis v. F., 198 M280, 269NW521. See Dun. Dig. 2698.

Notice to city treasurer by a depositary of a reduction in interest rate was notice to city of such reduction in rate. Id.

Where depositary relation is not for any fixed term, depositary may, by notice to depositor, reduce interest rate or terminate payment of interest on deposited funds. Id.

Officers and stockholders of a bank may sign a depositary bond. Op. Atty. Gen., Mar. 5, 1929.

Banks are without authority to assign collaterals or securities to protect thrift funds collected from school children by school officers or teachers. Op. Atty. Gen., Apr. 8, 1929.

School district may not designate bank located outside state. Op. Atty. Gen., June 8, 1929.

Approval of collateral offered is now to be had by the county board rather than the board of audit. Op. Atty. Gen., Aug. 21, 1929.

Consolidated bank does not succeed to position as county depository. Op. Atty. Gen., Oct. 4, 1929.

Deposits cannot exceed capital and surplus even though secured by both bond and collateral. Op. Atty. Gen., Oct. 31, 1929.

County only has priority up to the amount of the capital and surplus, no matter how much collateral is pledged by the bank. Op. Atty. Gen., Dec. 12, 1929.

The word "municipality" in this section as amended by Laws 1929, c. 370, includes counties, and the collateral must be approved by the county board. Op. Atty. Gen., Feb. 10, 1930.

The City of Cleveland is not an "agency" of the state of Ohio, and bonds of that city are not receivable as collateral under this section as amended by Laws 1929, c. 370, but such bonds might qualify under §7714. Op. Atty. Gen., Feb. 10, 1930.

This section as amended by Laws 1929, c. 370, requires the deposit with the county auditor of all depository bonds taken by counties, towns, school districts and cities. Op. Atty. Gen., May 3, 1930.

County attorney is under no obligation to check the facts relative to the issuance of any municipal bonds offered as collateral to see that the bonds were properly issued by the municipality purporting to issue the same. Op. Atty. Gen., Feb. 20, 1931.

A bank designated as a depository of county funds must furnish the bond, or in lieu thereof the collateral security required by statute, and no exceptions are made. Op. Atty. Gen., Mar. 2, 1931.

While a state bank may give a bond to secure the government for deposit of postal savings, it may not pledge any portion of its assets. Op. Atty. Gen., May 22, 1931.

A bank cannot pledge a customer's notes to secure public deposits. Op. Atty. Gen., June 11, 1931.

There is no statute regarding depositaries which is applicable to the City of Marshall. Op. Atty. Gen., June 18, 1931.

A bank had no legal authority to pledge certificates of deposit, but in view of Laws 1931, c. 296, school district warrants may be pledged to secure public deposits. Op. Atty. Gen., Aug. 18, 1931.

This act should be construed in connection with §7714 in determining what securities may be lawfully accepted by a village in pledge as collateral security for deposit of village moneys. Op. Atty. Gen., Dec. 2, 1931.

Notes secured by first mortgages on real estate in Minnesota are not authorized securities under this statute. Op. Atty. Gen., Jan. 12, 1932.

Bond for city depository with individual sureties should be twice amount city has on deposit. Op. Atty. Gen., May 3, 1932.

If collateral is furnished by city depository, its market value should be at least ten per cent more than limit of deposit which would be permitted if corporate or personal surety bond was furnished. Op. Atty. Gen., May 3, 1932.

City depository, and not city, should pay premium on bond. Op. Atty. Gen., May 3, 1932.

Payment of interest by city depository is matter of contract between bank and city council. Op. Atty. Gen., May 3, 1932.

City council may designate, as depository, a bank outside city. Op. Atty. Gen., May 3, 1932.

Depository for county funds may deposit and assign county warrants as collateral security. Op. Atty. Gen., May 31, 1932.

Practice of reassigning collateral following redesignation of city depositaries is proper. Op. Atty. Gen., Jan. 24, 1933.

Depositary of city and school district could deposit bonds of city as collateral for city and district. Op. Atty. Gen., Feb. 2, 1933.

Notes secured by mortgages on village real estate may not be deposited as collateral by village depositary. Op. Atty. Gen., Feb. 4, 1933.

A bank, while in process of reorganization, may, with consent of commissioner, complete purchase and sale of bonds under contracts. Op. Atty. Gen., Mar. 17, 1933.

Salaries and wages of bank officers and employees rendered during reorganization may be paid out of funds in hands of bank at time of issuance of lieutenant governor's proclamation. Op. Atty. Gen., Mar. 17, 1933.

Where state moneys in hands of county treasurer are lost through closing of county depositary, state is not entitled to preference in moneys collected from collateral or sureties upon depositary's bond. Op. Atty. Gen., Mar. 18, 1933.

It is not mandatory upon municipalities to accept collateral referred to as "notes secured by first mortgages," etc. Op. Atty. Gen., Mar. 20, 1933.

County attorney must examine abstract of title to real estate covered by mortgages substituted in lieu of bond as security from depositaries, without extra compensation. Op. Atty. Gen., Mar. 22, 1933.

Where county board permits substitution of real estate mortgages in lieu of bond as security from depositaries as permitted by this act it is the duty of county attorney to examine abstracts of title without additional compensation. Op. Atty. Gen., Mar. 22, 1933.

Securities which have been assigned to county by depositary must be deposited with the county treasurer unless county board provides for their safe-keeping by one other than the treasurer, and board may not select bank or trust company furnishing same as their custodian. Op. Atty. Gen., Mar. 29, 1933.

Under this section as amended by Laws 1933, c. 41, school board may accept, in addition to personal bonds of depositaries, real estate mortgages to guarantee the obligation of the depositary, but not to guarantee the obligation of the sureties. Op. Atty. Gen., Mar. 30, 1933.

There is no statutory limit as to amount a village may deposit in any one bank other than the requirement that designation of depositary should specify amount which may be deposited therein, and the depositary must give bond in at least double the amount so specified. Op. Atty. Gen., Apr. 3, 1933.

Where village has deposit in closed bank for which it holds as part security certain of its own refunding bonds, such bonds may be cancelled at their face value and set-off against the right of the village to an equal sum of money due it from the bank as a depositor. Op. Atty. Gen., Apr. 19, 1933.

A village holding its own bonds as security for deposit in bank may cancel bonds and permit face value as equitable offset against deposit claim. Op. Atty. Gen., Apr. 19, 1933.

County board must approve collateral deposited to secure county deposits. Op. Atty. Gen., Apr. 28, 1933.

Money deposited by clerk of court who took certificate of deposit would not be protected by securities deposited with county treasurer by bank, such money being held by clerk for distribution to private persons. Op. Atty. Gen., Apr. 28, 1933.

Under this section, as amended by Laws 1933 c. 41, a school district may invest its funds in liberty loan bonds. Op. Atty. Gen., May 3, 1933.

Bonds as security for township funds classified. Op. Atty. Gen., May 5, 1933.

City treasurer was relieved of liability for loss of funds where he deposits money lawfully in depositary designated by city council. Op. Atty. Gen., May 31, 1933.

County is a preferred creditor as to funds remaining in designated depositary after expiration of term. Op. Atty. Gen., July 27, 1933.

United States treasury notes are authorized security in lieu of depositary bonds, but it is question of fact whether "South Park Commissioners, Improvement, Chicago, Ill." bonds, qualify. Op. Atty. Gen., Aug. 2, 1933.

Under this section as amended by Laws 1933, c. 41, where mortgages are assigned to county to secure deposits, assignments should be recorded, and on return of security, proper assignments should be made under §641. Op. Atty. Gen., Aug. 11, 1933.

Depositing of bonds by bank in lieu of depositary bonds does not constitute an unlawful preference in case of insolvency. Op. Atty. Gen., Aug. 28, 1933.

County may accept deposit of real estate mortgages instead of bonds. Op. Atty. Gen., Oct. 6, 1933.

Where school district is holding certificates of deposit with bonds placed with it by national bank as collateral, and bank has been reorganized, district is entitled to interest on certificates of deposit and not on bonds placed as collateral. Op. Atty. Gen., Mar. 26, 1934.

National banks may pledge assets to secure public funds. Op. Atty. Gen. (29b-3), Apr. 13, 1934.

Federal home loan bank bonds and home owners' loan corporation bonds may be pledged as security. Op. Atty. Gen. (355e), May 10, 1934.

Home owners' loan corporation bonds may be deposited in lieu of surety bonds. Op. Atty. Gen. (401b-11), May 11, 1934.

Municipal deposit may equal 90% of collateral plus insured deposit liability. Op. Atty. Gen. (450a-6), Oct. 6, 1934.

Provisions of act apply to cities operating under home rule charters containing inconsistent provisions. Op. Atty. Gen. (140b-8), Apr. 26, 1935.

Bonds of Twin City Rapid Transit Company may not be deposited as security for public deposit. Op. Atty. Gen. (140f-1), Nov. 18, 1935.

Industrial bonds are not qualified to secure public deposits, and qualification of mortgages or railroad bonds are questions of fact. Op. Atty. Gen. (450d-1), Feb. 13, 1936.

Federal farm mortgage corporation bonds and home owners loan corporation obligations are qualified to se-

cure public deposits. Op. Atty. Gen. (140b-3), Mar. 21, 1936.

Opinion of March 29, 1933, construing this section as prohibiting the redepositing with the depository collateral given by it to secure deposit of public funds held applicable to placing of such collateral in a safety deposit box of such depository. Op. Atty. Gen. (140f-1), May 4, 1936.

Trust agreements or participating certificates secured by first mortgages insured by federal housing administration may be deposited with a lawful corporate trustee and can be accepted as collateral security for county deposit. Op. Atty. Gen. (140f-11), Jan. 18, 1937.

Federal housing mortgages which federal housing administrator has insured or made a commitment to insure are eligible as collateral to secure deposit of public funds. Op. Atty. Gen. (140f), May 11, 1937.

National Housing Administration first mortgages insured under Title II of the National Housing Act may be accepted as collateral security for state deposits. Op. Atty. Gen. (140f-7), May 11, 1937.

Depositary is not required to furnish bond as security for funds of Firemen's Relief Association. Op. Atty. Gen. (198b-2), Jan. 7, 1938.

Federal farm mortgage bonds may be deposited as collateral for city funds. Op. Atty. Gen. (59a-22), May 3, 1938.

State bank may not pledge assets to secure deposit of postal savings funds. Op. Atty. Gen. (29a-12), Jan. 16, 1939.

Federal housing mortgages, which Federal Housing Administrator has insured or made a commitment to insure, are eligible as collateral to secure entire deposit of county and county depository. Op. Atty. Gen. (121b), Jan. 26, 1939.

County attorney need not examine abstracts of mortgages insured by Federal Housing Administrator. Id.

A loan and savings association may not be designated as depository. Op. Atty. Gen. (159a-9), Feb. 6, 1939.

U. S. government savings bonds marked on their face "not transferable" are not eligible as collateral to secure deposits of county funds. Op. Atty. Gen. (140a), March 1, 1939.

Bonds issued by county to refund outstanding drainage ditch bonds were eligible as security for deposit of county, city, village, town and school district fund. Op. Atty. Gen. (140f), June 10, 1939.

Eligible collateral specified in detail. Op. Atty. Gen. (140f-6), August 23, 1939.

1973-6. Depositories — Bank delinquent in payment of taxes on stock shares.

Act July 15, 1937, Sp. Sess., c. 64, prohibits the making or keeping of public deposits in national banks which have not paid taxes for the years 1937 and 1938, and makes it a gross misdemeanor to fail to comply with the act.

This statute is still in force. Op. Atty. Gen., May 29, 1930.

Treasurer of school district who was also cashier and stockholder of bank was not protected from liability by designation of the bank for deposits made in bank where it had not paid taxes on its stock. Op. Atty. Gen. (159a-21), Apr. 3, 1934.

1973-8. Certain banks may be depositaries.—In every case where a bank which is eligible under the provisions of General Laws 1927, Chapter 381 [Mason's Minn. Stat., 1927, §1973-6], merges or consolidates with another bank under the charter of either, such consolidated bank shall, so long as all taxes levied and assessed against its shares under the laws of this state subsequent to such consolidation are paid as required by law, be eligible to receive deposits of public moneys under said act. (Act Apr. 19, 1929, c. 262.)

1973-9. Treasurer to be reimbursed for losses.—Where the treasurer of any town, village or city of the fourth class has or shall hereafter reimburse such town, village or city for loss of funds of the town, village or city on deposit in any bank which has or may become insolvent, such town, village or city shall reimburse said treasurer for the money so paid when a majority of the electors voting thereon at the annual town meeting or at any regular or special village or city election vote so to do; provided, that the notice of such annual meeting or election shall specify that such matter will be considered thereat. (Laws 1931, c. 35; Apr. 20, 1931, c. 279.)

Supersedes Laws 1929, c. 133, limited to town treasurers.

Laws 1931, cc. 35 and 279 do not repeal Laws 1929, c. 133 so as to prevent vote to reimburse town treasurer at special town meeting. Op. Atty. Gen., July 8, 1932.

1973-10. Depositaries insured under federal act excused from giving security to extent of insurance coverage.—No bank or trust company authorized to do a banking business in this state, designated as a depository of state, county, village, borough, town, or school district funds, and Cities howsoever organized, provided by law, the deposits of which bank or trust company are insured in whole or in part, under the provisions of the Act of Congress of the United States of June 16, 1933 (creating the Federal Deposit Insurance Corporation and the Temporary Federal Deposit Insurance Fund) [Mason's U. S. C. A., tit. 12, §264], shall be required to furnish any corporate or personal surety bond, or deposit any collateral in lieu of bond, to secure such funds, in so far as such funds shall constitute "insured Deposit liabilities" of such bank or trust company within the provisions of said Act of Congress. Provided, that nothing in this Act shall be construed to release any bank or trust company from furnishing surety bond or collateral for all deposits in excess of the insurance afforded by the National Banking Act. (Act Jan. 9, 1934, Ex. Ses., c. 62, §1.)

See §7697-8 relating to deposits generally.

Collateral may be released to extent of federal deposit insurance. Op. Atty. Gen., Feb. 6, 1934.

Amount allowed by statutes to be deposited by school treasurer without bond is not to be added to amount of deposit protected by federal deposit insurance. Op. Atty. Gen., Mar. 19, 1934.

As to depositaries under contracts at time Congress enacted deposit insurance, it is optional with county either to release or hold security, this act not being mandatory. Op. Atty. Gen., Mar. 27, 1934.

Deposit liability exemption as provided by this act is not in addition to exemption of $2,000 provided for in §1049-1. Op. Atty. Gen., Mar. 27, 1934.

County may consider federal bank guaranty fund to extent of $2500 as a part of security for county deposit. Op. Atty. Gen. (107a-2), Apr. 11, 1934.

Municipalities are not obliged to return securities pledged prior to enactment of this section. Op. Atty. Gen. (450d-3), May 1, 1934.

No depositary bond is necessary to the extent of insured deposit liabilities. Op. Atty. Gen. (355e), May 10, 1934.

Exemption applies to each of several depositaries of county. Op. Atty. Gen. (107a-2), May 15, 1934.

County board and county treasurer may look upon federal deposit insurance as proper security for deposit of county funds without other security, but only to the extent of such federal insurance, and security should be required for deposit in excess of federal insurance. Op. Atty. Gen. (140a-16), July 25, 1934.

Federal deposit insurance corporation guarantees up to amount testified in federal act regardless of whether or not total of deposit is more than guaranteed fund. Op. Atty. Gen. (355E), Oct. 1, 1934.

Municipal deposit may equal 90% of collateral plus insured deposit liability. Op. Atty. Gen. (450a-6), Oct. 6, 1934.

Municipalities are not obliged to return securities pledged prior to passage of this act. Op. Atty. Gen. (140a-16), Oct. 22, 1934.

If depositary furnishes collateral, it is to be regarded as additional security and not security in lieu of federal insurance. Op. Atty. Gen. (159a-9), Nov. 7, 1934.

Board of auditors may designate a bank, whose deposits are insured by Federal Deposit Insurance Corporation, and not require it to furnish bonds or collateral security. Op. Atty. Gen. (401b-2), Feb. 4, 1935.

Independent school district may deposit up to $5,000 in depository, protected by federal insurance, without collateral. Op. Atty. Gen. (159a-9), Mar. 18, 1935.

Municipal funds may not be deposited in excess of amount that such deposits are insured under provisions of federal reserve act without requiring collateral security. Op. Atty. Gen. (29a-12), May 31, 1935.

Section does not release any banks from furnishing surety bond or collateral for all deposits in excess of insurance afforded. Op. Atty. Gen. (140b-6), Aug. 5, 1936.

Federal insurance does not run concurrently with collateral on deposit. Op. Atty. Gen. (140c-3), Aug. 4, 1937.

County board of audit may waive statutory requirement that a depository furnish collateral to extent of $5,000 guaranteed by federal deposit insurance corporation. Op. Atty. Gen. (140f-3), Mar. 22, 1938.

1973-11. Same—repeal.—All Acts or parts of Acts, inconsistent herewith, are hereby repealed. (Act Jan. 9, 1934, Ex. Ses., c. 62, §2.)

1973-12. Limitation of deposits dependent on capital and surplus.—No designation of a bank or trust company as a depository of state, county, town, city,

village, borough or school district funds, and no deposit of such funds in such designated depository shall be limited by the amount of the capital or surplus of such depository, but the authority designating such depository may nevertheless fix the limit of deposit to be made therein and shall require security therefor as provided by law. (Act Apr. 29, 1935, c. 318, §1.)

This act applies uniformly to all municipalities throughout the state, including the city of Minneapolis, and must prevail over city charter. Op. Atty. Gen. (59a-22), Nov. 13, 1935.

1973-13. Application of act.—This act shall apply to all cities, villages, and boroughs, however organized. (Act Apr. 29, 1935, c. 318, §2.)

Sec. 3, of Act Apr. 29, 1935, cited, repeals all inconsistent laws.

1973-14. Deposit of town and school district funds with county treasurer in certain cases.—Whenever the town board of any town or the school board of any school district in this state, by a unanimous resolution, deem it advisable, such town board or school board may invest such amount of funds in such town or school treasury as will not, in the opinion of such board, be needed by such town or school district during the fiscal year, in any of the bonds of any county, city, town, village, school district, drainage or other district created pursuant to law for public purposes in Minnesota, Iowa, Wisconsin and North and South Dakota or in the bonds of any city, county, town, village, school district, drainage or other district created pursuant to law for public purposes in the United States, containing at least 3500 inhabitants provided that the total bonded indebtedness of any such municipality or district shall not exceed ten per cent of its assessed valuation. (Apr. 17, 1937, c. 250, §1.)

1973-15. Same—Investment of funds.—Any town board or school district board, investing such surplus funds in such authorized securities as herein provided, shall deposit such securities for safe-keeping with the county treasurer of the county wherein such town or school district is located. Such county treasurer shall give a receipt for each and all of the said securities to the town board or school district board, as the case may be, and such county treasurer shall keep such securities for safe-keeping until such time as such town board or school district board shall adopt a resolution requesting the county treasurer to turn such securities or any of them over to the treasurer of such town or school district. (Apr. 17, 1937, c. 250, §2.)

1973-16. Same—Need not be covered by bonds.—The funds of such town or school district invested in such securities and deposited with such county treasurer by such town board or school board as herein provided shall not be included within the amount of money for which such town treasurer or school treasurer is required by law to give a bond to such town or school district. (Apr. 17, 1937, c. 250, §3.)

1973-17. Deposit of county funds.—In all counties in this state, now or hereafter having an area of more than five thousand (5,000) square miles and an assessed valuation of more than Two Hundred Million Dollars ($200,000,000.), exclusive of moneys and credits, it shall be the duty of the County Treasurer to place all moneys of the county belonging to the various funds on deposit in banks situated within the respective individual Commissioner's districts to which the said moneys and funds are either allocated or for whose specific needs and benefit such moneys and funds are used. The county and its proper disbursing officers shall draw warrants and vouchers upon said funds in the banks located in each said Commissioner's districts. (Apr. 26, 1937, c. 430, §1.)

Sec. 2 of Act Apr. 26, 1937, cited, provides that the Act shall take effect from its passage.

CHAPTER 11

Taxes

Laws 1929, c. 38, creates a bank tax commission to study question of national bank taxation and to report at next session of legislature. Laws 1931, c. 275, continues the commission to the end of the 1933 session. Laws 1933, c. 323, continues commission.

Laws 1931, c. 303, authorizes the tax commission to compromise taxes assessed against shareholders of national banks. See, also, Res. No. 8, Laws 1931, p. 627.

GENERAL PROVISIONS

1974. Property subject to taxation.

1. General rules.

Intangibles, if so used as to become integral part of local business, may acquire situs for taxation other than domicile of their owner. Baker v. S., 186M160, 242NW697. See Dun. Dig. 9155, 9572b.

Power of taxation is inherent in sovereignty and reposes in legislature, except as limited by state or national Constitution, and except as so limited, it is exhaustive and embraces every conceivable subject of taxation. Reed v. B., 191M254, 253NW102. See Dun. Dig. 9115.

Taxation is a burden or charge imposed by legislative power upon persons or property to raise money for public purposes, with essential characteristic that it is not a voluntary payment or donation but an enforced contribution. Bemis Bro. Bag Co. v. W., 197M216, 266NW690. See Dun. Dig. 9114.

Power of taxation is inherent in sovereignty and reposes in the legislature except as it is limited by state or national constitution. Id. See Dun. Dig. 9115.

Mason's Stat. 1927, §2021, was enacted as a taxation statute and not merely to provide taxing officers with information whereby value of bonds or stock could be determined for purpose of taxation under §1974, and the latter section is not applicable to corporate excess taxation. Id. See Dun. Dig. 9128.

Power of taxation is inherent in sovereignty and reposes in legislature, except as limited by constitutional prohibition. State v. Aitkin County Farm Land Co., 204M495, 284NW63. See Dun. Dig. 9114.

City of Mankato could not enact an ordinance requiring one starting a new mercantile business to post a bond conditioned that if the concern does not stay in business for more than one year, the amount thereof should be forfeited to the city in liquidation of personal property taxes, license, etc. Op. Atty. Gen., Mar. 27, 1931.

Taxes assessed against land owned by state are not a lien thereon and may be cancelled. Op. Atty. Gen. (770e), June 12, 1934.

Life tenant must pay taxes during lifetime under a deed of a farm to a town. Op. Atty. Gen. (349a-22), June 16, 1936.

2. Credits of non-residents in the hands of local agents.

Intangible managed by a resident trustee where right of revocation is reserved by non-resident trustor is subject to tax. Op. Atty. Gen. (421c-15), Apr. 29, 1935.

4. Property of non-residents consigned for sale here.

There is no tax upon sale of surplus electric energy outside of corporate limits of a city, even though in another county. Op. Atty. Gen. (624c-13), Aug. 12, 1937.

6. Federal property and agencies.

Under Clapp Amendment trust patent lands of adult mixed blood Indians in Mahnomen county became subject to taxation 25 years from date of patent. U. S. v. Spaeth, (DC-Minn), 24FSupp465.

An allotment to a mixed blood Chippewa Indian, fee patent for which had not been delivered, issue of patent not even having been applied for by him, is not subject to taxing power of state or any of its municipal subdivisions. Warren v. M., 192M464, 257NW77. See Dun. Dig. 9120.

A state income tax upon salary of governor of a federal reserve bank is invalid as a direct and palpable burden on exertion of government sovereign powers. Geery v. M., 202M366, 278NW595. See Dun. Dig. 9120.

Salary of governor of federal reserve bank is not immune from state income taxes. Geery v. M., 204M622, 285NW614. See Dun. Dig. 9153.

Personal property belonging to an individual or corporation located on United States government land, not deeded by state legislature, is not exempt from taxation, even though used under contract with government. Op. Atty. Gen. (414a-2), Jan. 20, 1937.

Office furnishings and equipment of National Farm Loan Associations are exempt from state taxation, in view of